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INDEX.

PAGE.

ABRAMS, BEN. H., Death of..... 134
Accident and Health Insurance, Ruling as to Renewals of.....314, 428
Accident and Health Underwriters Policy Conference at Albany.....113, 121, 135
Accident Companies, Rumors of Consolidation of, Denied..... 311
Accident Insurance, Contest in Rawn Case... 210
Accident Insurance, Elimination of Beneficiary Clause in Policies of..... 448
Accident Insurance, Meeting of Committee on "Frills" 167, 210
Accident Insurance, 1910 Claim Ratios to Be Larger Than Usual..... 397
Accidents, Industrial, Prevention of..... 49
Accident Insurance Reciprocity, Arrangements for, Between Great Britain and France. 448
Accident Insurance, Revision of Dollar-a-Month Policy Proposed..... 397
Accident Insurance, the Continental on..... 395
Accident Policies, New Ruling as to Legality of, in Texas..... 310
Accident Policies, Standardizing the Conditions of 185, 305
Accident Policies Without Signed Application, Legality of..... 186
Accident Policy, Action to Force Acceptance of Renewals on..... 210
Accident Policy Machines, Massachusetts Ruling on..... 327
Accidents, Experience of the Ætna Life Tabulated 428
Accidents, Opposition by Employees to Protective Devices..... 289
Accidents, Statistics of, in British Mines and Quarries 395
Accidents, Train, Statistics of..... 372
Accidents, Unusual—66, 81, 98, 119, 135, 151, 167, 189, 237, 262, 294, 309, 357, 395, 412, 447, 496, 530
Actuarial Society of America, Fall Meeting.97, 309
Actuarial Society of America, Progress of Joint Investigations by..... 353
Actuarial Society of America, Semi-Annual Session of..... 356
Adams, Alexander C., Death of..... 447
Adams, Charles M., Address at the Detroit Conference 86
Adjuster, Suggestions for the..... 101
Adjustments on Basis of Market Value..... 117
Advertisements of Insurance Statements in Country Papers Enforced by Law..... 113
Aerial Accident Insurance Discussed..... 441
Ætna Indemnity and Affairs of Northern Bank of New York..... 530
Ætna Indemnity of Hartford.....310, 448
Ætna Life of Hartford.....8, 31, 175, 428
Ætna Life of Hartford, Accident Department. 531
Ætna Life of Hartford, Additions to Accident Policy Benefits..... 106
Ætna of Hartford, New Western Department of, Establishment of..... 446
Ætna of Hartford, Northwestern Department at Omaha Closed..... 292
Ætna of Hartford, Rearrangement of New England Field of..... 512
Agent, Local, Powers of, Defined by Kansas Courts 29
Agents, Fire, Compensation of, in South..... 323
Agents, Obligatory Licenses Favored by Insurance Commissioner Hartigan..... 188
Agencies, Fire, Incorporated at Chicago..... 78
Agencies, Dual, Ruling in Kansas Concerning. 132
Agnew, Edward, Death of..... 350
Alabama Fidelity and Casualty.....237, 310
Alabama Insurance Department Rulings..... 424
Alabama, New Insurance Commissioner Appointed 292
Aldcroft, W. H., on Infantile Life Insurance. 405, 415
Allegheny County, Pa., Board of Fire Underwriters, Injunction Against.....393, 409
Allegheny Fire, Consolidation of With Humboldt Fire of Pittsburgh..... 529
Allegheny Fire of Pittsburgh, Proposition to Acquire Humboldt Fire..... 445
Alliance of London, Reports About, Entering the United States.....189, 234, 308, 326, 355

PAGE.

Alliance of London to Write Marine Insurance in United States.....370, 394, 513
Amarillo National Life of Amarillo, Tex..... 410
American Bankers Life of Chicago Licensed. 80, 472
American Business Men's Association of Chicago, Licensing of..... 413
American Central Fire of St. Louis, Suggestions as to Inventories..... 293
American Druggists Fire of Cincinnati..... 6
American Fidelity of Montpelier, Vt..106, 413, 516
American Legion of Honor, Assets of..... 150
American Liability Company of Cincinnati.... 8, 397, 413
American Life and Annuity of Pittsburgh..46, 409
American Life Convention, New Members of. 167
American Life Convention, Organization of Medical Section..... 4
American Life Convention, Proceedings of the Fifth Annual Meeting.....221, 239, 367
American Life of Chicago, Organization of... 427
American Life of Tampa, Fla., Merger with Florida Life of Jacksonville, Fla..... 446
American Museum of Safety and Sanitation, Opening of..... 428
American National Life of Lynchburg, Va.. 46, 115, 424
American of Newark, Reinsurance of Farm Business of Insurance Company of Illinois 5
American Surety and Overthrow of Nebraska State Rating Law..... 412
American Surety, Pacific Coast Managership of 448
American Temperance Life.....293, 307, 408
American Union Fire of Philadelphia.....208, 394
Ampersand Hotel and Home Insurance Company 116, 370, 494, 512
Amusement Indemnity Exchange of St. Louis.. 6
Anchor Fire of Des Moines.....165, 208
Ancient Order of Druids, Insurance Abandoned by Minnesota Grand Lodge..... 31
Ancient Order of United Workmen, Loss of Membership of.....208, 494
Ancient Order of United Workmen of Minnesota, Commissioner Hartigan on..... 235
Andrew Jackson Insurance Company of Athens, Ga., Promotion of..... 28
Anti-Compact Law of Iowa, Action of Local Agents 29
Anti-Compact Suits in Indiana..... 260
Anti-Tipping Laws, Fine for Insurance Broker on Account of..... 392
Anti-Trust Cases in Mississippi..... 166
Apfel, W. G., Death of..... 514
Arkansas, Proposed Legislation to Raise Bond of Insurance Companies..... 370
Armstrong, Robert B., Return of, to Journalism 448
Arson, Conviction on Charge of, in West Virginia 369
Assessment Life Insurance in New York in 1909, Statistics of..... 397
Associated Fraternities of America, Proceedings of the Tenth Annual Meeting.....145, 155
Association of Life Insurance Presidents, and the Movement for Conservation of Public Health 305, 306
Association of Life Insurance Presidents, Annual Meeting of, Proceedings of..... 434, 465, 473, 502, 528
Atlanta National Life, Organization of..... 369
Atlantic Casualty of Philadelphia, Election of Officers 50
Atlas Life and Casualty, Organization of..... 238
Atlas Life of St. Louis, Troubles of Stockholders 45
Atlantic States Life of Augusta, Ga., Officers of 408
Atlas of London, United States Trustees Elected 371
Augusta Fire of Georgia, Formation of..... 46
Auto Fire Engines to Be Installed in New York 119
Automatic Sprinkler, C. R. Alling on Life of. 375
Automatic Sprinklers, Incorrect Publication Concerning 493
Automatic Sprinklers, New York City Fire Department Compelling Installation..... 466
Automatic Sprinklers, Warning to Owners of Buildings Equipped with.....511, 512
Automobile Accidents, Increase of, in New York City..... 237

PAGE.

Automobile Insurance, Boston Tariff..... 238
Automobile Insurance, Coverage of..... 209
Automobile Insurance, Queen of America to Begin 413
Automobile Insurance Company of America, Application for Receiver for..... 495
Automobile Insurance Losses, How to Secure Fair Adjustments of..... 497
Automobile Insurance, Rate Agreement Reached 210
Automobile Rates at Chicago..121, 136, 263, 472, 497
Automobile Redemption Insurance..... 390
Automobile Salesmen, Rates to..... 514
Automobiles, Status When Unlicensed..... 49
Automobile Underwriters' Association to Promulgate New Rates..... 136
Automobile Wind Shields, Insurance for..... 429
Automobilists and Their New Peril..... 533
Aviation Insurance Begun by a British Company 441
Aviation Insurance, Belmont Park Meet Policies 327
Aviators, Insurance for, London *Insurance Record* on..... 207
Aztec Fire of El Paso, Tex., Organization of. 236

BACHELORS, Insurance for, in England.. 526
Badger Casualty Company of Green Bay, Wis., Organization of..... 397
Balkan National of Sona, Bulgaria, to Enter United States 165
Baltimore, New Surety Company Planned.... 121
Bankers Co-operative Life of Denton, Tex., License Cancelled 97
Bankers Reserve Life of Little Rock, Ark.... 64
Bankers Life of Des Moines, Tax Assessments Against Protested..... 29
Banks, National Officers of Not to Be Insured at Cost of Bank..... 207
Banks, New National..175, 210, 230, 262, 310, 327, 413, 448, 497, 531
Banta, Theodore M., Death of..... 238
Barebones Alumni Association..... 79
Barrett, James S., Death of..... 309
Barry, Commissioner, on the Reduction of Fire Insurance Expenses 296
Barry, Commissioner, on State Rate Making.. 289
Barry, Commissioner, on Insurance Departments and the Insurance Field.....394, 193
Barry, James V., Complimentary Dinner to... 412
Barry, Commissioner, Appointed Manager for the Publicity Bureau of the Casualty Underwriters.....365, 390, 466, 511
Barry, James V., Elected Assistant Secretary Metropolitan Life.....442, 466, 511
Barrymore, Jack, London Lloyds, Matrimonial Policy on 185
Ben Franklin Fire of Allegheny, Consolidation With National Fire of Pittsburgh.148, 149, 324
Bergstresser, James C., Death of.....238, 368
Berkshire Life, Metropolitan Agency Changes. 293, 368
Berkshire Life, to Add to Home Office Building of..... 411
Blackford, William H., Death of.....327, 353
Blaney, William O., Death of..... 414
Blue Goose, Officers of the Grand Nest Elected 291
Board of Burglary Underwriters..... 448
Board of Casualty and Surety Underwriters.. 295, 333, 497
Bonding Companies, Foreign, Federal Business Open to..... 190
Boston Board of Fire Underwriters, Annual Meeting 167, 392
Boston Casualty, Change from Mutual to Stock Basis 358
Boston, Address by Mayor Fitzgerald on Lessons of Conflagration.....117, 131
Boston, Fire Hazards of..... 512
Boston Insurance Library..... 446
Boston Mutual Life, New President Elected.. 236
Boyer, C. H., Elected President of the Detroit Conference 119
Brandeis, Author of Savings Bank Life Insurance, Discussed..... 509
Briggs, Arthur R., Death of..... 357

Digitized by Google

PAGE.
British Columbia Life, Organization of..... 96
British Insurance Business, Size of..... 94
British Labor Class, *London Review* on..... 496
British Life Insurance Companies, Business of. 123
"British Underwriters," The..... 188
Broker, Fire Insurance, Growth of the..... 27
Broker Fire Insurance, Point of View, The *Surveyor* on..... 52
Brokerage Offices, Modern Mode of Operation of 28
Brokers, Report on, at the National Association of Local Fire Insurance Agents' Meeting 216
Brokers, Unlicensed, Missouri Action Against. 166
Brussels Exposition, Fire Insurance Loss of.. 132, 149, 167
Buffalo Casualty Company, Formation of...14, 66
Buffalo Life Underwriters' Association..... 411
Building Code of the National Board of Fire Underwriters, Evasions of..... 129
Burglary Insurance, Experience of Companies Tabulated 396
Burglary Insurance Policies, New One Proposed for Adoption..... 396
Burglary Underwriters' Association, Affairs of. 358
Burr Brothers Accused of Fleecing Widows of Insured Men..... 421
Business Men's Life of Louisville, Transfer of Business 134
Butte, Mont., Fire Hazards of..... 394
Button, Commissioner, on Municipal Taxation of Insurance 93

CALIFORNIA State Life, Organization of. 469, 494
Calumet Fire of Chicago, Its New York Office Closed 30
Camden, N. J., Fire Insurance Rates..... 411
Canadian Fire Underwriters' Association..... 513
Canadian Insurance Legislation, Sir George Ross on..... 223
Canadian Railway Accident of Canawa, Purchase of by Liverpool and London and Globe 310
Canning Factories, Hazards of..... 7
Casualty and Surety Social Club, Annual Meeting of..... 497
Casualty Bureau of Publicity, Established.365, 390
Casualty Company of America, to Amend Charter 448
Central Manufacturers Mutual of Van Wert, to Issue Standard Policies..... 150
Central National Fire of Chicago..... 31
Central States Life of St. Louis, Organization of.....4, 393
Central Traction and Lighting Bureau, New Plan of Schedule Rating Adopted by.... 409
Century Fire of Des Moines, Consolidation with St. Louis Fire of St. Louis..... 528
Chambers, Willard L., Elected Assistant Secretary New York Board of Fire Underwriters 64
Chapin, Dr. Frederick W., Death of..... 514
Charleston, S. C., Fire Conditions Disclosed.. 64, 394
Charleston, W. Va., Reports of Fire Conditions in 5
Chauffeur's Fracture, New Term Coined..... 310
"Chemistry of Combustion and Electricity".. 59
Chicago Board of Surety Underwriters, New Officers Elected..... 310
Chicago Fire Department Investigated..... 44
Chicago Fire Insurance Brokerage Association 325, 514
Chicago, Fire Insurance Premiums in.117, 163, 495
Chicago, Fire Marshalship of..... 529
Chicago Indemnity Exchange, Large Losses.. 48
Chicago, New Building Code for..... 469
Chicago, New Fire Underwriters Building in.. 423
Chicago, Stockyards Fire.....45, 46
Child Welfare Exhibit, Announcement of.... 79
Cincinnati Life Underwriters and the National Association 97
Cincinnati Mutual Fire, Liquidation of..... 309
Citizens Fire Association of Seattle, Revocation of License of..... 236
Citizens Fire of Utica, Order to Liquidate... 61
Citizens Insurance Company of Clarkville, Ark., Reinsured by the Commercial Union 293
Citizens Life of America, Charter Obtained.. 167
Citizens Life of Reading, Pa., New Officers of. 293
Citizens Mutual Fire, Assessment Confirmed.. 470
Citizens National Life of Louisville..... 526
Citizens National Life of Louisville, Application for Receiver for.....445, 446, 470
City of New York Casualty Company, New Name of New York Plate Glass Insurance Company 372
City of New York Insurance Company, Report of Examination of..... 529
Classification of Fire Insurance Risks, by Illinois 146
Classification of Fire Insurance Risks, Views of the Hartford Fire Insurance Company on 421, 432
Clayton, Insurance Commissioner of Colorado, Charges Against..... 116
Cleaning and Dyeing Establishments, Chicago Ordinances Governing Maintenance of.... 426
Cleveland Insurance Exchange..... 260
Cleveland, Ohio, High Pressure System for... 410

PAGE.
Clinton, Alexander James, Death of..... 530
Clocks, Largest in World..... 467
Coal Dust, Imflammability of..... 35
Coinsurance Clause, in Missouri..... 260
Colonial American Stock Not Dying Out.... 321
Colonial of Winnipeg, Reinsurance of Roger Williams Fire..... 406
Columbia Casualty of Lexington, Ky., Organization of..... 358
Columbia Fire of Athens, Ga..... 394
Columbian National Life of Boston.....426, 444
Columbus Casualty Company of Ohio, Discontinuance of..... 311
Columbus Casualty Company of Ohio, Troubles of 81, 130, 152, 358
Commerce Trust Company of Kansas City, Revocation of Federal License of..... 448
Commercial Casualty of Nashville, Organization of..... 82
Commercial Casualty of Newark, N. J..... 515
Commercial Fire of Des Moines, Control of Acquired 356
Commercial Life and Casualty of Savannah.. 6, 121, 152
Commercial Union of London and Retirement of Pacific Coast Branch Secretary..... 425
Commercial Union of London, Reinsurance of Risks in Unprotected Texas Towns..... 326
Commercial Union of London, Reinsurance of Citizens of Clarksville, Ark..... 293
Commissions and Fire Insurance Companies, The *Agency Bulletin* on.....41, 52
Commissions, Fire Insurance Revision of, Advocated by the Merchants' Association of New York 448
Commissions, Fire Insurance, Henry Evans on 122, 187
Commissions, Fire Insurance, Discussed..... 161
Commissions, Fire Insurance, Dissatisfaction of Southern Agents.....5, 26
Commissions, Vermont Association of Local Fire Insurance Agents on..... 324
Commonwealth Life of Omaha to Continue Business 47, 79
Commonwealth Life of Nebraska..... 29
Compagnie du Phenis of Paris, Entrance to United States..... 470
Companies, New Insurance, Large Number of Promotions of..... 57
Compulsory Classification, Favored by Professor Whitney..... 260
Concealed Spaces, Dangers of..... 513
Concordia Fire of Milwaukee, Withdrawal of, from Texas..... 97
Concrete Houses, Insurance Men Interested in Plans for..... 355
Concrete, Reinforced, Value of, in Confining Fire Illustrated..... 408
Concrete, Value of, as Fireproof Building Material 3
Connecticut Insurance Commissionership..... 468
Conservation of Industrial Efficiency, E. W. De Leon on..... 18
Conservation of the Public Health, Co-operation of the Association of Life Insurance Presidents 305, 306
Conservative Life of Wheeling, W. Va., Presidency of..... 529
Consolidated Life Securities Company, Operations of, in Chicago..... 118
Consumption, Statistics of Deaths From..... 164
Continental Casualty Company..67, 136, 175, 311
Continental Life and Accident Company of Detroit, Organization of..... 14
Continental Life and International Fire of St. Louis, Affairs of..... 78
Continental Life of St. Louis Receivership.... 46
Continental Life of Wilmington, Del., Growth of 352
Continental of New York, Fulfilment of Pledge of, to Western Union..... 325
Continental of New York, Meeting to Consider Charter Amendments..... 96
Continental of New York, Officers Elected.... 235
Continental of New York, Report of Department examination of..... 443
Continental of New York, Semi-Annual Statement 62
Continental of New York to Enter Canada.. 116, 165, 260
Contingent Commissions, Adoption of, by Georgia Fire and National Home Fire.... 470
Cooper, Edgar C., New Insurance Commissioner of California, Sketch of..... 3
Cooper, E. C., Retirement of as North Dakota Insurance Commissioner..... 467
Co-operative Fire Insurance Companies of New York, Troubles of..... 148
Co-operative Insurance Underwriters of Santa Fe, N. Mex., Incorporation of..... 132
Corn Belt Life of Danville, Va., Sale of, to the La Salle Life..... 7
Coronation Risks, London Lloyds Insurance of 353
Corporation Tax Cases, Federal, Postponement of, Consideration of..... 370
Cosmopolitan Fire of North Dakota.....131, 208
Cosmopolitan Life of Atlanta, Ga., Promotion of..... 28
Cotton Bills of Lading, Guarantee of..... 8, 48, 152, 168, 209, 310, 327, 472, 496, 515
Cotton, Insurance of, in Texas.....81, 260

PAGE.
"Cotton Row" at Augusta, Ga., Contest for Insurance of..... 391
Cotton Shipments, Fire Hazards of..... 148
Cotton States Fire, Organization of..... 411
Courts' Attitude Toward Insurance, Chester N. Farr on..... 249
Cox, Robert Lynn, on Insurance Legislation and Co-operation of Companies.....321, 339
Cox, Robert Lynn, on Instruction in Colleges. 474
Croker, Fire Chief, Charges Against.....30, 45
Crouse, Benjamin F., Death of.....65, 397
Crude Oil, Products of, C. C. Dominge on 392, 447
Cuba, New Life Insurance Company in..... 80

DALLAS, Texas, Increase of Key Rate for.. 427, 446, 495
Damon, A. W., on the Responsibility of the Individual 335
Darst, Commissioner, Comments on His Annual Report..... 146
Dates Ahead..... 44
Deafness and Life Insurance..... 114
Dean Schedule in Wisconsin..... 76
Dearden, Robert R., Re-election to Pennsylvania State Legislature..... 445
Death, Fire Leading Causes of..... 63
Death Rate, 1909, Figures in United States.. 261
Death Rate High, Reasons for, F. L. Hoffman on..... 469
Des Moines Fire, Merger with Hawkeye Insurance Company of Des Moines..... 325
Detectives' Bonuses from Casualty Companies. 50
Detroit Conference, Annual Meeting of, Report of Proceedings.....84, 98, 119, 358
Detroit Conference, Programe of Semi-Annual Conference of..... 447
Detroit Conference, Semi-Annual Meeting of. 482, 497
Detroit Life, Organization of.....307, 529
Detroit, Organization of Fire Insurance Men at 511
Detroit, Sprinkler Installations in..... 6
Dexter, George T., on the College and Life Insurance 476
Disability Insurance, Constitutionality of Montana Law Requiring, to be tested..... 472
Disability Features in Life Insurance Policies in Illinois..... 408
Disability Risks in Connection with Life Insurance, Mr. McAdam on..... 221
Discrimination in Fire Insurance, What is?.. 535
District of Columbia Insurance Commissionership 77, 422
District of Columbia Insurance Code Proposed, Status of..... 107
Divorced Wife, Interest of, in Former Husband's Life Insurance..... 406
Dogs, Insurance for.....151, 327
Done, Willard, Appointed Insurance Commissioner of Utah..... 325
Drake, Thomas Edmiston, Death of..73, 82, 96, 281
Driggs, Marshall Sylvanus, Death of..211, 235, 261
Druggists, Insurance of, Against Consequences of Errors..... 525
Drury, John C., Raleigh, N. C..... 119
Dryden, John F., Addresses and Papers on Life Insurance Published..... 42
Dutchess Fire, Appointment of a Secretary.. 98
Dutchess Fire, Indictment of President Vail.. 42, 61, 446
Dutchess Fire, Motion for Receiver Denied. 165, 471
Dukes and Duchesses of Edom, Fraternal, Court Order Granted..... 235
Dwelling Fires, Tabulation of, by Home Insurance Company..... 325

EASTERN Commissions Situation, Frank Lock on..... 51
East Tennessee Indemnity of Knoxville, Charter Asked for..... 134
Eastern Union, Efforts to Reorganize..... 57, 58, 74, 207, 236, 354, 442, 468, 491, 527, 529
Eldridge, George Dyre, on Fraternals..... 187
Elections of 1910, Prospective Changes in State Insurance Commissioners..... 389
Electric Heating Appliances, Fire Hazards of. 424
Elevator Accidents, Booklet Concerning..... 6
Elmira, N. Y., Fire Hazards of..... 79
El Paso Life of Texas, Suspension of Organization of..... 494
Empire Accident Corporation, Organization of. 175
Empire Casualty of West Virginia, Receivers Appointed for..... 372
Empire City Fire of New York, New York License Granted..... 529
Empire City Fire of New York, to Amalgamate with the New Amsterdam..... 208
Empire State Casualty, Plate Glass Business Reinsured 82
Empire State Fire of Utica, Order to Liquidate 61
Employees Insurance, Merit System for..... 43
Employers' Liability Insurance.....175, 396, 448
Employers' Liability Insurance, Demand for.. 152
Employers' Liability Insurance Rate Manual, Instruction Concerning Given..... 152
Employers' Liability Law, First Suit Against New York City Under..... 413
Employers' Liability Laws, Court Decisions on. 327

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PAGE.
Employers' Liability Laws of New York, the New Laws Discussed.....120, 161
Employers' Liability Law in Oregon Discussed 509
Employers' Liability, New New York Laws, Edson S. Lott on..... 120
Employers' Liability in Wisconsin..... 472
Employers' Liability, Massachusetts Commission to Draft Bill for..... 515
Empire State Surety.....107, 209, 238, 249
Empire State Surety, Proposal to Amalgamate with People's Surety..... 168
Empire State Surety, Reinsurance of Casualty and Liability Business of..... 515
English-American Underwriters' Agency..... 134
Enterprise Casualty of Philadelphia, Officers Chosen 14
Enterprise Casualty of Philadelphia, Capital Stock Increase..... 263
Enterprise Casualty of Philadelphia, Receivership of.....32, 50, 448, 497, 531
Equitable Fire and Marine of Providence, Fiftieth Anniversary of..... 189
Equitable Fire of Charleston, S. C., Organization Completed..... 134
Equitable Life of New York, Annual Meetings of Stockholders and Policyholders... 424, 467, 528
Equitable Life of New York, Court Decision Concerning Distribution of Surplus on Lapsed Policy..... 167
Equitable Life of New York, Growth of Business of General Agent Herman Leroy.... 445
Equitable Life of New York, Monthly Payment Policy Plans.....30, 77
Equitable Life of New York, Thirtieth Anniversary Celebration of Woods General Agency at Pittsburgh.....308, 367
Equitable Life of New York, Trustees of Voting Trust..... 235
Equitable Life of San Antonio, Texas, Started. 166, 261
Equitable Life of San Francisco, Organization Completed..... 30
Estabrook, Charles T., Conviction of..... 6
Evans, Henry, on Fire Insurance Commissions 187
Examiners' State Insurance Department, Convention of Suggested..... 425
Excelsior Fire Affairs Wound up..... 30
Excise Bonding in New York..49, 136, 152, 516
Expenses in Fire Insurance, Chicago Meeting to Consider Reduction in the West..... 74
Expenses in Fire Insurance, George D. Markham on..... 216
Expenses in Fire Insurance, Reduction of, Broker's Opinion of..... 162
Expenses, Reduction of, Frank Lock on.... 165
Expirations, Fire Insurance, How to Control Them..... 96
Expirations, Fire Insurance, Trouble Over at Bloomington, Ill..... 235

"FACTORIES and Their Fire Protection," Franklin H. Wentworth on..... 162
Factory Insurance Association of Hartford. 371, 391
Farmers and Bankers Life of Wichita, Kan., Organization of..... 370
Farmers and Merchants Fire of Lincoln, Neb., Capital Increase..... 133
Farmers Fire of York, Pa., Appointment of Secretary for..... 167
Federal Bonds, List of Approved Companies for 427
Federal Life of Chicago....61, 77, 324, 407, 513
Feet, Statistics of Accidents to..... 152
Fibel, Louis H., Address at the Detroit Conference 84
Field, George P., Death of..... 137
Fidelity and Casualty Company....441, 472, 515
Fidelity and Casualty Company; New President Elected..... 472
Fidelity and Deposit of Baltimore, Purchase of Philadelphia Casualty..... 472
Fidelity Mutual Life of Philadelphia, Report of Examination of..... 259
Fidelity-Phenix 529
Fidelity-Phenix and Resignation of Western General Agent Lenahan.....426, 446
Fidelity-Phenix Merger and the Arkansas and Texas Departments..... 116
Fidelity-Phenix, Appeal from, Ouster from Texas 64, 77
Fidelity-Phenix, Semi-Annual Statement..... 65
Fidelity-Phenix, Resignation of Henry E. Hess as Vice President of..... 390
Fidelity Underwriters, Approval of Policies of 411
Fire Alarm System, Automatic, New one for New York City Favored..... 369
Firearms, Life Hazard Increased by Indiscriminate Sale of.....113, 124, 131
Fire Association of Philadelphia.....165, 512
Fires Badges, New, in New York City..... 149
Fire Escapes, Complaints of Being Unavilable in Emergencies..... 147
Fire Escapes, South Carolina, Campaign Against Hotels Without..... 426
Fire Fighting, New System of..... 511
Fire Helmet, Successful Trial of..... 5
Fire Insurance Agents, Commissions, in the South 5, 26

PAGE.
Fire Insurance Agents, Commissions, The *Agency Bulletin's* Threat to Companies, Comments on 41, 51
Fire Insurance as Collateral..... 434
Fire Insurance Brokers, Legislation to Provide State Licenses for, in New York.. 366
Fire Insurance Brokers' Point of View..... 52
Fire Insurance Bureau of Appeal in the New York Insurance Department Proposed.365, 368
Fire Insurance Classification, the Hartford Fire on 432
Fire Insurance Companies, Larger, Comparative Business of, in the United States.. 187
Fire Insurance Companies of New York, Application of the Legislative Investigating Committee for Information.....389, 398
Fire Insurance Company Promotions, New, the New York State Insurance Department on 305, 313
Fire Insurance, Discrimination in Discussed..535
Fire Insurance Executives Busy Men..... 145
Fire Insurance in the Courts..... 11, 102, 171, 273, 376, 453
Fire Insurance, Hard Facts About..... 532
Fire Insurance Jurisprudence, Paper by J. W. Mooney on..... 299
Fire Insurance Policies, Average Clause Declared Invalid in Iowa..... 411
Fire Insurance Policies, Court Interpretation of Watchman Clause..... 352
Fire Insurance Policies, "Riot Clause" to be Abolished in Kentucky..... 410
Fire Insurance Polices, Ruling as to Mortgagee's Interest in Massachusetts Reversed 293
Fire Insurance Practices, European, A. D. Robertson on..... 381
Fire Insurance Premiums in Manhattan and Bronx 150
Fire Insurance Rates in Oregon, Commissioner on 212
Fire Insurance Rate Reduction in the Metropolitan Territory of New York..... 490
Fire Insurance Rating by the State, O. B. Ryon on..... 131
Fire Insurance Rating by the State, Commissioner Darst on..... 146
Fire Insurance Rating in Large Cities, Henry E. Hess on.....509, 516
Fire Insurance Reserves, New Method of Figuring Reinsurance Reserves in Iowa.. 446
Fire Insurance Risks, Classification of..... 146
Fire Insurance Society of Newark, N. J., Election of Officers of..... 494
Fire Insurance Society of San Francisco, Organization of..... 353
Fire Insurance Special Agent, Paper by W. A. Blodgett on..... 298
Fire Insurance State Rating Boards, the Nebraska Decision Discussed..... 405
Fire Insurance State Rate Making, Opposition of Some Insurance Commissioners to. 289
Fire Insurance Trust and a Western Newspaper Editor..... 321
Fire Insurance Rates, Uniform, Enforcemen of, in Indiana..... 368
Fireless Cooker, Fire Hazards of..... 490
Fire Marshal, Benefits to Work of, in North Dakota, E. C. Cooper on..... 407
Fire Marshalship, State, Paper by C. J. Doyle on 301
Fire Marshals, State, Utility of, Discussed.... 525
Firemen, Disabled, Taxation of Fire Insurance for Support of..... 465
Firemen's College, to Establish, in New York City Fire Department..... 528
Firemen's of Newark, Reinsurance of Freeholders Fire of Topeka.....167, 187, 208
Fire Prevention, Boston Bureau of, Favored. 445
Fire Proof Construction, Hotel Sherman at Chicago Example of..... 490
Fire Proof Dwellings..... 469
Fire Protection in Buildings and Cities, Conference of Architects on..... 516
Fire Protection, Western Railroads, Methods Used by..... 163
Fire Protection of New York, Aid from the Pennsylvania Railroad..... 349
Fire Reinsurance, Growth of..... 350
Fire Securities Company of New York, Investigation of 422
Fire Underwriters' Association of New York, Efforts to Organize.16, 27, 46, 47, 97, 322, 354
Fire Underwriters' Association of New York, Proposed Organization of, Comments on. 25
Fire Underwriters' Association of the Northwest 307, 325
Fire Underwriters' Association of the Northwest, Proceedings of the Forty-first Annual Meeting 289, 296
Fire Waste, Conservation from Destruction by, Appeal for, from Prominent Underwriters 220
Fire Waste, Significance of, Paper by F. H. Wentworth on..... 300
Fire Waste, Western Union's Educational Campaign Against..... 393
Fires, Annual number of, in American Cities, Secretary Merrill on..... 492
Fires, Forest, Cost of Fighting..... 134, 145, 307, 367, 371, 392
First National Life of Baltimore, Progress of, Stock Sales of..... 369

PAGE.
First Philippine Life Insurance Company, Organization of 409
Fisher, Professor, on Investments in Health by Life and Accident Companies..233, 242
Fletcher, Charles W., Resignation as Deputy Insurance Commissioner of Massachusetts. 94
Flour Mills, Clark F. Hinman on Fire Hazards of 373
Flour Mills, Fire Hazards of.....272, 449
Florida Life, Merger of, with American Life of Tampa, Fla..... 446
"For a Rainy Day," by Chauncey S. S. Miller 67
Forest City Life of Rockford, Ill., Officers Elected by..... 326
Forest Fires, Losses by, in Northwest..... 307
Forest Fires, Organization of Association for Prevention of..... 392
Forest Fires, Responsibility for, in New Jersey 425
Forster, J. Montgomery, Death of.....327, 352
Fort Pitt Fire of Pittsburgh, Announcement of Organization of..... 495
Foster, Nathaniel W., Death of..... 151
Four States Life of Texarkana, Tex., Progress of 133, 514
Fourth of July Fires in New York City..... 45
Franklin Fire of South Dakota, License Granted 236
Franklin Fire of Washington.....132, 410
Franklin Life and La Salle Life, Consolidation of..... 77
Franklin Life of Springfield, Ill., Change from Mutual to Stock Basis.....206, 369
Franklin Life of Springfield, Ill., Report of Examination of.....46, 435, 443
Franklin Life of Springfield, Ill., Results of Merger 148
Fraternal and Assessment Insurance in New York in 1909, Statistics of..... 397
Fraternal Insurance, Frauds in Ilinois and Indictment of Officers..... 42
Fraternal Insurance, Situation Discussed..129, 382
Fraternal Mystic Circle of Philadelphia, Examination of..... 166
Fraternal Tribunes, Accused Officers of, Released from Indictment.....76, 369
Fraternal Societies, Meeting of Representatives of, with Insurance Commissioners in New York 490
Fraternal Orders, George D. Eldridge on.187, 416
Fraternals, New Mortality Table for..... 132
Fraternals, Proposed, Uniform Bill..... 2, 47, 59, 490, 512
Freeholders Fire of Topeka, Kan., Reinsured in Firemen's of Newark....167, 187, 208, 514
"Frills," in Casualty Insurance.....310, 372

GARDNER, HARRY B., Affairs of..27, 79, 117
Gallagher, Owen, Death of..... 167
Gasoline Fires, New Cause Advanced for..... 492
Gasoline, New Fire Hazard of..... 369
General Adjustment Bureau, Report by..... 351
General Fire of Paris, American Licenses Granted 47, 134, 262
General Liability Company of Cincinnati, Organization of..... 81
Georgia, Fire Insurance Agents' Commissions in, Address by President Harris on..... 26
Georgia Fire of Atlanta.....426, 514
German-American Life of Denver, Presidency of 513
German-American Life of Omaha, Change of Organization Plan..... 236
German Commercial Accident of Philadelphia. 32, 175
German Mutual Benefit Association, Protest of Old Policyholders in..... 149
German Mutual Life of Chicago, Application for Receiver for..... 426
German Mutual Life of St. Louis, Incorrect Announcement Concerning..... 118
German National Life..... 63
German Imperial Supervising Insurance Department, American Methods of Underwriting Studied..... 190
Gill, B. L., New Insurance Commissioner of Texas 468
Girard Life of Philadelphia, Monthly Payment Policy..... 78
Glanders, Court Determines Its Standing in Liability Insurance..... 152
Glasgow Assurance Corporation, New Stock Issue of.....308, 409
Globe and Rutgers, Threatened Prosecution in Texas..... 30
Globe Surety of Kansas City, Federal License Granted 429
Goldberger Cases, Compromise of..... 426
Government Surety and Casualty of New York, Progress of Organization of..... 372
Grand Central Life of Kansas City, Organization of..... 394
"Graveyard" Insurance Frauds, Punishment of. 356
Great Central Life of Kansas City, Incorporation of..... 356
Great Eastern Casualty..... 531
Great Southern Accident and Fidelity of Atlanta 82, 327
Great Southern Agency Company of Chattanooga, Bankruptcy of..... 529
Great Southern Life of Houston, Tex..... 293

Digitized by Google

PAGE.
Great Southern Lumber Company, Loss of Uninsured Planing Mill ... 116
Greater New York Insurance Company, Organization of ... 293
Greenwich Fire of New York Resumes Business ... 63, 150, 208
Gresham Fire and Accident, Organization of, at London ... 46, 358, 446
Grim, Alfred R., Death of ... 48
Guarantee Company of North America ... 8, 448
Guarantee Life of Houston, Tex ... 495
Guarantee Mutual Life of Davenport ... 188
Guarantee Surety and Casualty of Kansas City Taken Over by Missouri Fidelity and Casualty ... 136, 210, 372
Guardian Fire of Pittsburgh ... 47, 149, 394
Guardian Life of Wisconsin Ready for Business ... 119
Guardian Life of Seattle, Reinsurance of .. 308, 355
Guile, J. J., Manager of Sun of London ... 167

HAGGERTY, D. P., Louisiana Fire Marshal, Death of ... 7
Hail Insurance, Profits of ... 176
Hall, George C., Death of ... 357
Hall, John A., Death of ... 119
Hamburg-Bremen, Removal of United States Head Office ... 166
Hamill, Edward Holman, Death of ... 371
Hammer, Gustave W., Death of ... 530
Harben, Henry A., Death of ... 151
Harbison, Gen. Alexander, Death of ... 530
Hard Facts About Fire Insurance ... 531
Hardison, Frank H., Reappointed Massachusetts Insurance Commissioner ... 491
Harford, William P., Death of ... 357
Hartford, Conn., Water Supply ... 471
Hartford Fire, Centennial of ... 7
Hartford Fire, Its Views on the Classification of Fire Insurance Risks ... 421, 432
Hartford Fire, Offending Magazine Advertisement ... 407
Hartford Fire, Special Dividend to Stockholders of ... 446
Hartford Life ... 31, 166, 408
Hartigan, Commissioner, His Address at the Insurance Commissioners' National Convention ... 264
Hartigan, Commissioner, Address Before the National Fraternal Congress ... 139
Hartigan, John A., Appointed Manager for Equitable Life in Minnesota ... 442
Hatch, George W., Address at the Detroit Conference ... 84
Hawkeye Insurance Company of Des Moines, Merger With Des Moines Fire ... 325, 356
Hawkins, Commissioner of Texas, Ousted from Office ... 113
Hayes, George W., Death of ... 414
Health and Accident Policies, Ruling on New York Standard Provisions ... 262
Health Association Established by the Southern States Mutual Life ... 150
Health, National, Movement and Life Insurance Companies ... 444
Health, Proposed Federal Department of ... 147
Helena, Mont., Fire Hazards of ... 325, 356
Helvetia-Swiss, Close of California Litigation Against ... 407, 442
Henry Clay Fire of Lexington, Ky., New President Elected ... 64
Henry, John J., Death of ... 414
Hess, Henry E., on Fire Insurance Rating in Large Cities ... 509, 516
Hess, Henry E., Resignation as Vice President of Fidelity-Phenix ... 390
High Pressure Service to Be Extended in New York City ... 529
Hillas, Robert J., Elected President of Fidelity and Casualty ... 472
Hoffman, Frederick L., on Fifty Years of Life Insurance Progress ... 534
Holland-American Mutual Fire of Paterson, Organization of ... 133
Holloway, George A., Death of ... 530
Hollow Cement Blocks, Fire Resistance of ... 150
Holt, George H., Attack on the Fire Insurance Business ... 75
Holt, Gustavus C., Death of ... 97
Holt, Judge George C., on the Indiscriminate Sale of Firearms ... 113, 124
Home Accident of Arkansas, Corporate Powers Increased ... 82
Home Casualty of Omaha, New Officers of ... 448
Home Fire and Marine of San Francisco ... 293
Home Fire of Indiana, Organization of ... 391
Home Life of America, Presidency of ... 411
Home Life and Casualty of Fordyce, Ark., Election of Officers of ... 513
Home Life of New York, Appointments ... 513
Home Life of Oklahoma, Charter Granted .. 47, 63, 96
Home of New York, Examination by New York Department ... 510
Home of New York, Reinsurance of Business of Merchants and Manufacturers of Cincinnati ... 393
Home of New York, Semi-Annual Statement .. 63
Homestead Fire of Franklin, Va., Reinsured by Seaboard Fire of Norfolk ... 118
Horse Endowment Insurance ... 390

PAGE.
Host, Zeno M ... 209
Hotchkiss, Superintendent, Address Before the Board of Casualty and Surety Underwriters ... 336
Hotchkiss, Superintendent, and Governor-elect Dix ... 489
Hotchkiss, Superintendent, His Boom for Governor ... 73
Hotchkiss, Superintendent, on the New York Life Insurance Limitation Law ... 278
Hotchkiss, Superintendent, the New York Life on ... 60
Hotel Ampersand Case ... 324
Hotels and Fire Insurance, Distinction as to Right of Indemnity by Occupants ... 445
Hot Weather, Provident Savings Health Hints for ... 75
House of Governors and Future Insurance Legislation ... 405
Houston Fire and Marine of Texas, Completion of Liquidation of ... 326
Houston, Tex., Fire Hazard of ... 6
Hughes, Charles, Address on Liability Loss Reserves ... 330
Humboldt Fire of Pittsburgh, Consolidation of, With Allegheny Fire ... 445, 529
Hunter, J. Howard, Death of ... 371
Hurrell, Alfred, and the Legislative Investigation ... 93
Husband, Bereaved, Letter from ... 95
Husband, Missing, Suit to Establish Legal Death of ... 166
Hyde, Calvin R., Death of ... 151
Hyde, James Hazen, Information Concerning. 290

IDE, PRESIDENT, on Insurance Investments in Railroad Securities ... 459
Illinois Association of Local Fire Insurance Agents, Annual Meeting of ... 393, 408
Illinois Coal Operators Mutual Liability ... 426
Illinois Employers' Liability Commission, Work of ... 121
Illinois Field Club, Annual Meeting of ... 5
Illinois Fire Insurance Commission, Sessions of ... 79, 261, 444
Illinois, Fire Insurance Risks Classified ... 146
Illinois Life Insurance Company ... 164
Incendiarism, Evidence Sufficient to Establish. 150
Income Insurance ... 8
Indemnity Exchange of Chicago Barred from Tennessee ... 63
Indemnity Life and Accident of Minneapolis. 65, 358
Independence Fire of Philadelphia, Charter Obtained ... 79, 165, 167
Independent Surety Company of New York. 14, 50
India, Life Assurance Act for ... 163
Indiana Anti-Compact Suits, Decision by Judge Weir ... 260, 293, 407, 423, 491
Indiana Association of Life Underwriters, Annual Meeting ... 62
Indiana Industrial Life of Terre Haute, Receivership of ... 292, 496
Indiana Insurance Commissionership ... 426, 511
Indiana State Fire of Indianapolis ... 446
Industrial Agents' Strike in Pennsylvania ... 129
Industrial Insurance, Investigation of in England and Germany ... 49
Industrial Trust Company of Pittsburgh, Receiver Asked for ... 118
Infantile Insurance, Paper by W. H. Aldcroft on ... 405, 415
Inland Empire Association of Life Underwriters ... 64
Inspections in Fire Insurance, J. M. Harrison on ... 299
Insular Life of Manila, P. I., Organization of. 409
Insurance Against Old Age, German Requirements Concerning ... 516
Insurance Against Wet Weather ... 525
Insurance Brokers' Association of New York, Meeting of ... 26, 80
Insurance Commissioners, Changes Among. 390, 526
Insurance Company of North America, Conference With Field Representatives ... 355
Insurance Company Promotions, Report of Examination of in New York State ... 290
Insurance Conservation, Paul Morton on, to Equitable Agents ... 429
Insurance Departments and the Insurance Field, Commissioner Barry on ... 193
Insurance Education in Europe, Henry Moir on. 475
Insurance in Political Party Platforms in 1910. 305
Insurance Institute of America, Course of Study for ... 431, 446
Insurance Institute of Hartford ... 446
Insurance Library Association of Boston, Plans for ... 293
Insurance Policy, Oldest Original, Receipt of by Insurance Society Library ... 350, 468
Insurance Society of New York, Address on Marine Insurance by A. G. Thacher ... 351
Insurance Society of New York ... 234, 292, 469
Insurance Vending Machines Legal in Kentucky ... 14
Insurance, Wide Open, in Great Britain ... 525
Insured Infants, Mortality of, W. H. Aldcroft on ... 415
Interinsurance Concerns, Mississippi Rulings Concerning ... 41, 63

PAGE.
Interinsurance Concerns, Utah Ruling Concerning ... 132
International Association of Accident Underwriters, Program of Annual Meeting ... 219
International Association of Accident Underwriters, Proceedings of the Twenty-third Annual Meeting ... 233, 241
International Association of Fire Engineers, Annual Meeting at Syracuse ... 148, 165
International Claim Association First Annual Meeting of ... 175, 211
International Congress on Diseases of Occupation, Program of Meeting of ... 151
International Congress of Social and Industrial Insurance, Session at The Hague ... 189
International Fire of St. Louis Receivership .. 46
International Insurance Company of New York, Reinsurance Business of ... 369
International Insurance Cyclopedia, Fire Volume Issued ... 42
International Life of St. Louis ... 189, 308
International Securities of Wheeling ... 97
Inter-Southern Life of Louisville, Absorption of Business Men's Life ... 134
Interstate Casualty of Birmingham, Staff of, Completed ... 327
Inter-State Fire of Birmingham, Progress of. 63, 186
Interstate Life and Accident of Chattanooga, Tenn., Progress of ... 396
Invalidity Insurance in Great Britain ... 396
Investments in Health by Accident Companies, Professor Fisher on ... 233, 242
Iowa Association of Local Fire Insurance Agents, Action of the Anti-Compact Law. 29
Iowa, Fire Insurance Policies and Mortgage Clause in ... 493
Iowa Insurance Commissionership ... 426
Iowa, Ruling Concerning Tornado Riders ... 47
Iron Safe Clause, What Is Violation of ... 116, 496
Isthmus Lloyds of New York, Business Resumed ... 97

JACOBSON Family of Brooklyn, Association of, to Provide Insurance for ... 512
Japan, Insurance Companies Registered in ... 117
Jefferson Fire of Philadelphia ... 494
Jerusalem, Insurance Company in ... 327
John Hancock Mutual Life ... 46, 406
Johnson, William C., Appointed General Manager Columbian National Life ... 444, 495, 510
Jones, J. D. E., Resignation of, from Puritan Life of Providence, R. I ... 326

KANSAS Anti-Trust Cases ... 528
Kansas, Appeal from Court Decision Favoring Eldridge Rating Bureau ... 80
Kansas, Bill to Transfer State Rating Board Control to a Commission ... 96
Kansas State Rating Law, Constitutionality of to Be Tested ... 307, 325, 409, 444
Kansas City Life ... 6, 134
Keelor, Dr. R. S., Resignation of ... 515
Kentucky Board of Fire Underwriters ... 425
Kentucky Fire Prevention Association, Annual Meeting of ... 496
Kentucky, Tax Laws Upheld ... 75, 121
Keystone Life of Philadelphia Promoted ... 79
Kight Audit Company ... 470
Kimmel Case, Retrial of Announced .. 236, 324, 356
King George V, Lloyds Policies on ... 80
Kingsley, President, on National Supervision .. 257
Knights of Harmony of the World ... 529
Knights of Pythias and Higher Rates of Assessment ... 116, 409, 512, 527
Knights of Pythias, Divorce from Insurance Proposed ... 63
Knights of the Maccabees, Changes in Rules of ... 64
Knights of St. John and Malta, Liquidation of. 369

LADIES of the Modern Maccabees, Reorganization of Rates ... 5, 410
La Salle Life of Chicago, Purchase of Corn Belt Life ... 7
La Union et Fenix Espagnole ... 308, 394
Lawton, Louis B., Death of ... 209
Law Car and General of London ... 495, 514
Legal Decisions, Fire Insurance ... 102
Legislation, American Appetite for ... 443
Legislation, Inimical, Influence of Agents Against ... 205
Legislation, Insurance, Robert Lynn Cox on. 321, 338
Lenehan, J. H., Chicago ... 494
Letzkus, E. G., Appointed to Philadelphia Casualty Company ... 31, 81
Lexington, Ky., Conflagration Hazards of ... 495
Liability Commission, Meeting of ... 48, 73
Liability Commissions, Readjustment of ... 429
Liability Insurance Association, Annual Convention of ... 328
Liability Insurance Companies and Removal of Defenses ... 190
Liability Insurance, Experience of British Companies in ... 396
Liability Insurance, Report of the Committee on Calculating the Loss Reserve in New York ... 289, 294
Liability Laws, Discussion of, by National Civic Federation ... 515

Digitized by Google

PAGE.
Liability Loss Reserves, Proposed Law for Computing 358, 500
Liability Loss Reserves, S. H. Wolfe's Paper on 321, 328
Liability Loss Reserves, Charles Hughes on.. 330
Liability Policies Under the New Law of New York 140
Liability Rates, Discussion of.....81, 98, 120
Liability Situation in America, English Companies Investigating.... 175
Life Insurance Agents, Indifference of, Robert J. Mix on.... 314
Life Insurance Agents, Industrial, Unionized at Wilkes-Barre.... 130
Life Insurance, American and English Ideas of, Contrasted by Darwin P. Kingsley... 259
Life Insurance and Suicide Discussed.... 365
Life Insurance Business by Mail, Unauthorized Companies Forbidden to Do, in Wisconsin 324
Life Insurance Companies and National Health Movement 444
Life Insurance Companies of New York, Stock Holdings, President Peabody on.....257, 258
Life Insurance, Definition of.... 4
Life Insurance for Bank Officers, New Proposition for.... 407
Life Insurance, How to Make Money Writing, 483
Life Insurance Investments, Policyholders' Interests in Railroad Securities Explained by President Ide.... 459
Life Insurance, Its Relation to the State.... 315
Life Insurance, Limit of New Business, Action of the Mutual Life.... 398
Life Insurance of Infants Discussed.....405, 415
Life Insurance Policies and Guaranteed Annual Dividends, Texas Ruling on Reversed 425
Life Insurance Policies, Exemption of, from Creditors in Alabama Declared Invalid... 410
Life Insurance Policies, Use of Disability Feature Recommended....391, 498
Life Insurance Premiums, Sixty-four Years' Payment of.... 157
Life Insurance Progress, Fifty Years of, Frederick L. Hoffman on.... 534
Life Insurance Situation, Commissioner Hartigan on.... 154
Life Insurance, Statistics of People Who Carry 513
Life Insurance, $25,000 Application in Five Minutes 239
Life Underwriters' Association of Canada, Annual Meeting of.... 119
Life Underwriters' Association of Mississippi, Organization of.... 409
Life Underwriters' Association of New York. 493
Lightning, Statistics of Deaths from.... 136
Lime, Unslaked, Fire Hazard of.... 171
Limitation of New Business by New York Life Companies, Superintendent Hotchkiss on.... 278
Liquor Dealers' Legal Reserve Life of Danville, Ill., Organization of.... 7
Littlejohn, Wiley J., Retirement of.... 146
Liverpool and London and Globe, Reorganization of....207, 529
Liverpool and London and Globe, New Building of, at San Francisco.... 293
Lloyds, Applications for New York State Licenses 130
Lloyds, London, Failure of Aggove Syndicate of Underwriters at.... 445
Lloyds, London, Insurance of Wells-Fargo Company's Line.... 260
Lloyds, London, Warning About, by the New York Insurance Department.... 131
Lloyds, London, Warning Concerning Members of....465, 470
Lloyds, Uniform Policy Forms Devised.... 326
Lock, Frank, on the Eastern Commissions Situation 51
Lock, Frank, on Fire Insurance Expenses.... 162
Loeb's Insurance Agency Company, Chicago, Incorporation of....30, 64
London and Lancashire Guarantee and Accident of Canada to enter United States... 238
London and Lancashire Life to Write Fire and Accident Lines.... 97
Lone Star Life of Dallas, Tex....371, 514
Los Angeles Fire Insurance Company, License Granted 65
Louisiana Fire Prevention Bureau.....150, 235
Louisiana Rating Board Law Passed, Comments on.... 25
Louisiana, State Rating Board Members Appointed....96, 188
Louisiana, Withdrawal of Accident and Health Insurance Companies....66, 67, 106
Louisville and Fire Insurance Expense Reductions 118
Lumber Insurance Declined by Companies.... 118
Lumberman National Casualty and Life of Portland, Ore., Incorporation of.... 165
Lumber Underwriters of New York.... 5
L'Union St. Jean Baptiste d'Amerique, Report of Examination of....381, 393, 409

MACDONALD, Commissioner, and Connecticut Insurance Affairs.... 75
Macdonald, Commissioner, on Discrimination in Life Policies.... 277
Macon Fire Underwriters' Association, Officers Elected 236
Magill, H. P., & Co., Chicago Office Moved... 150

PAGE.
Maine Fidelity Company, Increase of Capital of 472
Majestic Life of Indianapolis.... 291
Mallalieu, W. E., Elected General Agent of the National Board of Fire Underwriters 5
Manhattan Life, Official Changes in.... 307
Marine Insurance, Address by A. G. Thatcher on.... 351
Marine Insurance Company of London, Admission to United States.... 427
Marine Insurance, Results of Lake Season.426, 469
Maryland Casualty of Baltimore.... 67, 136, 156, 175, 358
Maryland Life, Election of a Vice President. 65
Maryland Life, Presidency of....427, 446
Maryland, New Insurance Commissioner for.. 409, 422
Markham, George D., Testimony Before the New York Legislative Committee....489, 499
Marriage Endowment Society Refused Charter in New Mexico.... 121
Marye, Col. Morton, Death of.... 515
Massachusetts Accident Insurance Company.. 295, 310, 311, 372, 448
Massachusetts Association of Local Fire Insurance Agents, New President of.... 355
Massachusetts Bonding Company.... 33
Massachusetts Fire and Marine.... 7
Massachusetts Insurance Commissionership.... 491
Massachusetts Mutual Life, Annual Meeting of Agents of.... 150
Massachuestts, New Law Requiring Notice of Fire Loss.... 355
Massachusetts, Ruling Against Joint Surety Bonds 121
Massachusetts, Ruling Regarding Deposits of Foreign Companies.... 62
McConkey, Edwin K., Death of.... 151
McIlwaine, A. G., Elected President Insurance Institute of Hartford.... 48
McMaster, Commissioner, on Uniformity in Insurance Department Rulings.... 267
McNall, Webb, Death of.... 44
Mead, Franklin P., Actuarial Lectures by.... 6
Medical Examinations, Fear of Preventing Applications for Life Insurance.... 290
Memphis Life Underwriters' Association..166, 513
Mercantile Mutual Fire of Philadelphia, Charter Granted.... 471
Merchants and Manufacturers of Atlanta. 5, 46, 118
Merchants and Manufacturers of Cincinnati, Reinsurance of Business of.... 393
Merchants' Association of New York, Reduction of Insurance Taxation Advocated.441, 448
Merchants Fire of Baltimore, Organization of. 444
Merchants Fire of Denver, New York Permit Asked 97
Merritt Legislative Investigating Committee, 208, 292, 308, 326, 354, 406, 421, 430, 459, 469, 481, 498, 509, 516, 525, 527, 529, 534
Merritt Legislative Investigating Committee, Meeting of Fire Underwriters to Consider Request for Information of....398, 406
Metropolitan Casualty Company....358, 497
Metropolitan Fire and Marine of Seattle.... 411
Metropolitan Life, Advice to Tuberculosis Patients 43
Metropolitan Life and Discovery of Bigamous Policyholder 76
Metropolitan Life, Conclusion of Examination of 426
Metropolitan Life, Resignation of Assistant Secretary F. A. Betts.... 426
Metropolitan Life, Strike of Industrial Agents in Pennsylvania.... 129
Metropolitan Life, Tuberculosis Sanitarium... 370, 410, 514
Metropolitan Life, Tuberculosis Exhibit at County Fairs.... 209
Mexico, Award of Fidelity Business by.... 32
Michigan Association of Local Fire Insurance Agents, Annual Meeting of.... 166
Michigan Commercial Fire, Withdrawal of, from Southern Field.... 471
Michigan Fire Marshalship.... 188
Michigan Insurance Commissionership.... 493
Michigan Millers Mutual Admitted to New York State....65, 118
Mid-Continent Casualty of St. Louis.... 448
Mill Losses in the Pacific Northwest.... 78
Milwaukee Fire, Report of Examination of.... 528
Mine Cave-ins, Insurance Against.... 120
Minn-dako-wis Tribe, Election of Officers.... 308
Minnesota Casualty, Organization of.... 497
Minnesota Fire Prevention Association.... 411
Minnesota Insurance Commissionership.... 424
Minnesota, Ruling That Applicant Must Also Sign Accident and Health Policies.... 32
Minors, Life Insurance of, Discussed.....405, 415
Mississippi, Anti-Trust Cases Against Fire Insurance Companies.... 166
Missouri Fidelity and Casualty, Reinsurance of Guarantee Surety and Casualty of Kansas City....210, 497
Missouri Miners Casualty, Merger of With Missouri Fidelity and Casualty.... 497
Missouri, State Fire Insurance Rating Proposed 444, 468
Missouri State Fire Prevention Association, Organization of.... 471
Missouri Valley Fire, Organization of, Halted 308

PAGE.
Modern Woodmen of America, Requests for Examination of....48, 529
Monarch Fire Insurance Company, Proposed Organization of.... 446
Monongahela Fire of Pittsburgh, Charter Amendment and Election of Officers of... 494
Montgomery, Ala., Municipal Taxation of Insurance 495
Moral Hazard in Fire Insurance, Samuel R. Weed on.... 433
Motorists, Perils Surrounding.... 533
Mortgagee, Legal Obligations of, as to Time of Making Claim for Fire Loss.... 391
Morton, President, on Life Insurance Conservation 429, 473
Motion Picture Films, Rules Regarding Handling of.... 62
Murder, Insurance Against.... 44
Museum of Safety and Sanitation, Opening of. 369
Mutual Fire Insurance Companies, Plight of Two in Philadelphia.... 368
Mutuals, Fire Insurance, Tennessee Ruling on. 133
Mutual Life of New York Employees, Pensions for 494
Mutual Life of New York, Litigation Concerning State Fees in Indiana.... 492
Mutual Life of New York, Movement for Extension of Time for Selling Stocks.... 322
Mutual Life of New York, Nebraska Victory for on Forfeiture Clause Contention.... 469, 492, 514
Mutual Life of New York, Voluntary Limitation of Annual New Business.... 398
Mutual Reserve Life, Report of Receivers of. 3, 31, 63, 115, 261, 308
Mutual Reserve Life, Terms of Settlement of With Burnham Estate.... 393

NATIONAL Association of Life Underwriters, Judges in Prize Essay Contest of.. 133
National Association of Life Underwriters, Proceedings of the Twenty-first Annual Meeting....108, 185, 191, 223, 326
National Association of Local Fire Insurance Agents, Committees Appointed.... 324, 325, 409, 492
National Association of Local Fire Insurance Agents, Proceedings of the Fifteenth Annual Meeting....178, 205, 213
National Association of Mutual Insurance Companies, Annual Meeting of.... 261
National-Ben Franklin Fire of Pittsburgh.... 470
National Board of Fire Underwriters, Committees Appointed.... 2
National Board of Fire Underwriters, Building Code, Evasions of.... 129
National Board of Fire Underwriters, New Secretary Elected.... 293
National Board of Health.... 527
Nashville Board of Underwriters, Members Dropped 118
National Casualty of Detroit, Organization of. 413
National Convention of Insurance Commissioners, Standing Committees of.359, 422, 445
National Convention of Insurance Commissioners, Proceedings of the Forty-first Annual Meeting....114, 257, 264
National Convention of Insurance Commissioners, Itinerary of Route to Mobile.... 176
National Convention of Insurance Commissioners, December Meeting of Committees in New York....489, 499
National Employers' Liability Commission.... 358
National Exchange Fire of Waco, Tex., Organization of.... 118
National Fraternal Congress, Comments on the Annual Meeting of.... 129
National Fraternal Congress, Proposed Merger With Associated Fraternities of America. 133
National Fraternal Congress, Proceedings of the Annual Meeting.... 137
National Fire of Hartford, Reinsurance of the Shawnee Fire....234, 260
National Fire of Paris, Entry to United States 6, 370
National Fire of Pittsburgh, Consolidation With Ben Franklin of Allegheny.... 324
National Fire Protection Association.....150, 466
National Home Fire of Atlanta.....495, 514
National Insurance Company of Sherman, Tex., Organization of.... 7
National Life of Butte, Mont., Organization of 30, 512
National Life of Dallas, Tex., Total Abstainers' Company, Organized.... 30
National Life of San Diego, Cal.....409, 445
National Life of the United States of America. 150, 370
National Live Stock Company of Indianapolis, Promotion of.... 14
National Mutual Union, Formation of.... 497
National Protective Legion of Waverley, N. Y., Examination of.... 290
National Provincial Insurance Corporation of London, Entry to United States.356, 409, 445
National Surety Company.....66, 190, 238, 295, 359, 372, 396, 397, 428, 472
National Surety Company, Report of Examiners Appointed by Court.... 66
National Supervision of Insurance, James C. Jones on.... 247

Digitized by Google

PAGE.
National Union Fire of Pittsburgh, New Policy ... 64
Nebraska Association of Local Fire Insurance Agents, Annual Meeting of ... 77, 80
Nebraska Insurance Commissionership ... 426, 495, 527
Nebraska State Rating Law, Decision of United States Judge Munger Declaring Unconstitutionality of ... 405, 415, 472
Negro Fraternals in Virginia, Reformation of. 208
Negro Life Insurance Experience in the South. 365
Nelson & Co., W. L. New Orleans Office Closed ... 514
Nettleship, George M., Resignation of from Home Life of America ... 370
Neuberger, Jacob M., Death of ... 237, 309
New Amsterdam Casualty, Appointments by .. 50
New Amsterdam Fire of New York to Amalgamate With Empire City Fire ... 208
Newark Fire, Presidency of ... 425, 470, 493
Newark, N. J., Factory Fire, Lessons of ... 443, 511, 513
Newark, N. J., New Building Code of ... 529
Newark, N. J., Public School Fire Insurance Tangle ... 354, 423, 471
New Era Accident of Fond du Lac, Organization of ... 33
New England Association of Local Fire Insurance Agents, Organization of Proposed. 471
New England Insurance Exchange, Election of Officers ... 494
New England Mutual Life, Increase of Business ... 309
New Jersey Fidelity and Plate Glass ... 50, 82, 428
New Jersey Fire Insurance Company of Newark ... 80, 163, 442
New Jersey Plate Glass, Change of Name ... 82
New Orleans, High Fire Loss in ... 370
New Orleans, Tax Exemption Asked by Non-State Companies ... 115
Newport News, Va., Trial of Fire Underwriters for Conspiracy ... 6, 133, 349, 351, 367, 443, 469
Newspaper Publications of Insurance Statements by Law ... 113
New World Life of Spokane, Wash., Progress of Sale of Stock of ... 393
New York Board of Fire Underwriters. 410, 444, 512
New York City, New Fire Insurance Company Projected in ... 393
New York City, 1909 Fire Loss of ... 371
New York City, Proposed Underwriters' Building for ... 425
New York Employers' Liability Laws, Discussed ... 48, 65
New York Fire Insurance Exchange, Committee Changes ... 28, 163
New York Fire Insurance Exchange, New Rules Adopted ... 206
New York Fire Insurance Exchange, Proposed Legislation to Review Decisions by ... 368
New York Fire Insurance Exchange, Reduction of Rates in the Metropolitan District. 490
New York Fire Patrol, Assessment for ... 132
New York Insurance Department, Appointment of Assistant Examiners ... 29
New York Legislative Investigating Committee, Application to the Fire Insurance Companies for Information ... 389, 398
New York Legislative Investigation Committee, Comments on ... 25
New York, Legislative Investigation Committee Organized ... 33, 43
New York Legislative Investigation of Fire Insurance ... 93, 94, 186, 208, 292, 308, 326, 354, 398, 406, 421, 430, 459, 465, 469, 481, 489, 498, 499, 509, 516, 525, 527, 529, 534
New York Life, Address by President Kingsley on the New Business Limit Law ... 107
New York Life, Causes of Death Among Policyholders of ... 208
New York Life, Effects of Amendment to Law Limiting Business ... 53
New York Life, Deaths Among Policyholders. 325, 424
New York Life, Historical Pamphlet Issued by. 116
New York Life, New Policy Contracts .. 2, 468, 493
New York Life, Reprimand to Agents Who Solicit Unwisely ... 59
New York, New Liability Laws of, Action of Liability Underwriters ... 32
New York Plate Glass Insurance Company, Report of Examination ... 531
New York Plate Glass Insurance Company to Have New Name ... 372
New York, Promotions of New Companies by Misleading Statements ... 1
New York Safety Reserve Fund of Syracuse, Report of Examiantion of ... 261
New York State Association of Supervising and Adjusting Fire Insurance Agents, Annual Meeting of ... 45
New York Suburban Fire Insurance Exchange. 6
New York Underwriters, Agency Changes of. 326
Niagara Falls, N. Y., Fire Hazards of ... 355
Nichols, Walter, Death of ... 98
Nicholson, George E., Policy for $1,500,000 on Life of ... 76
Norddeutsche of Hamburg, Re-entry to United States ... 80, 394

PAGE.
Nordische of Moscow, Entrance to United States ... 80
North American Accident, Last of General Agencies of Closed ... 531
North British and Mercantile ... 114, 207, 308, 325, 395, 427, 445
North British and Mercantile, Western Department Moved to New York ... 146, 370
North Dakota, Insurance Commissionership ... 167, 467
Northern Assurance of Michigan ... 352
Northern Casualty of Aberdeen, S. Dak ... 531
Northern of London, Appointment of Loss Department Manager ... 259
Northern of London, Settlement of Wood Suit ... 354
North German Fire to Re-enter United States. 64
Norton, Charles D., Secretary to President Taft ... 151
Norton, Charles D., Letter to Northwestern Mutual Agents ... 63
Northwestern Association of Local Fire Insurance Agents, Proposed ... 326, 427
Northwestern Casualty of Milwaukee Reinsured ... 152
Northwestern Fire and Marine of Minneapolis ... 393
Northwestern Mutual Life, Agents' Association Annual Convention ... 61, 95
Northwestern Mutual Life ... 118, 326, 411, 426
Northwestern National Life Agents' Annual Convention ... 60
Northwestern National Life, Completion of Examination of ... 495
Norway, Compulsory Insurance of Employees in ... 190
Norwich, Conn., Water Supply of ... 513
Norwich Union Life of England ... 189, 292, 514
"Not Discrimination," *Rough Notes* on ... 535
Nylic System, Resumption of by New York Life ... 115

OAKLAND, Cal., Fire Conditions, in ... 150, 326
Occidental Fire of Albuquerque, N. M. 134
Ocean Accident and Guarantee Corporation .. 168
Office Organization Improved ... 515
Ogden, Henry V., Death of ... 209
Ohio Field Club, New Officers Elected ... 309
Ohio German Fire, Charges Against .. 116, 164, 188
Ohio Insurance Superintendentship ... 412
Ohio Insurance Company of New Albany, Ind. 326
Ohio Mutual Life to Merge With Ohio National Life ... 410
Ohio National Life, Ohio License Granted ... 260, 371
O'Kane, James, Retirement as Western Manager of the Ætna of Hartford ... 235
Oklahoma and Improvement of Fire Protection Conditions ... 411
Oklahoma, Judicial Decision on Insurance Tax Laws of ... 292
Oklahoma, New Tax Law in ... 132, 164
Oklahoma, State Fire Marshal Bill Drafted. 327
Old Line Life of Milwaukee, Growth of ... 445
Omnium Insurance Company of London ... 30
Onondaga County, N. Y., Co-operatives, Liquidation of ... 44
Opticians Insured Against Loss by Errors in Adjustments of Glasses ... 525
Order of Owls, Victory in Massachusetts ... 80
Order of Unity of Pittsburgh, Merger With American Life and Annuity ... 409
Oregon, Employers' Liability Law Discussed .. 509
Oregon Fire Insurance Rates, Commissioner Koser on ... 212
Oregon Insurance Report, Comments on ... 145
Orphans of the Uninsured, the *International Lifeman* on ... 354
Overinsurance, Commissioner Darst, of West Virginia, on ... 147
Overinsurance, Commissioner Hartigan on Evils of ... 78
Overinsurance, North Carolina Edict Forbidding ... 130
Overlegislation, Tendency Toward Illustrated. 353

PACIFIC Coast Automobile Underwriters' Association, Rates Made by ... 168
Pacific Coast Casualty Company ... 152, 175, 531
Pacific Coast Fire of Vancouver, B. C., to Enter United States ... 63, 187, 370
Pacific Fire and Marine of Seattle to Change Name ... 411
Pacific Mutual Life, Complimentary Dinner to Officers ... 61
Pacific Surety of San Francisco ... 175, 311, 497
Page, Charles A., Death of ... 371, 395
Palmetto Fire of Spartansburg, S. C., Receiver for ... 514
Partnership Insurance, the *Insurance Record* of London on ... 157
Paterson, N. J., Defies the Fire Insurance Companies ... 93
Paterson, N. J., Firemen Taking Instruction in New York Methods ... 132
Payne Life Insurance Case at Chicago ... 206
Peabody, Charles A., Visit to Europe ... 62
Peck, W. H., People's Mutual Life, Prison Sentence for ... 62, 64, 79
Peerless Fire of Waco, Tex., Organization of. 134
Peninsula Life of Detroit, Organization of ... 118

PAGE.
Penn Mutual Agency Association, Annual Meeting of ... 28
Pennsylvania Casualty Company ... 49, 82, 429
Pennsylvania, Corporations Cannot Be Licensed as Insurance Agents ... 95
Pennsylvania Insurance Department ... 414
Pennsylvania, 1909, Insurance Business in .. 492
Pennsylvania Railroad Contributions to Fire Protection of New York ... 349, 360
Perkins, George W., Retirement of, From Firm of J. P. Morgan & Co ... 493
Peoples Anthracite Company of Scranton, Pa., Organization of ... 64
Peoples Fire of Philadelphia, Examination of 47
Peoples Life of Little Rock, Ark ... 410
Peoples Mutual Life of Syracuse, Conviction of Secretary Peck ... 62, 64, 79
Peoples National Fire of Philadelphia ... 370, 392
Peoples Surety, New President Elected ... 263
Peoples Surety, Reported Absorption of .. 120, 168
Peoria, Ill., Rate Reductions in ... 394
Phenix of Brooklyn, Report of Examination of 26
Phenix of Brooklyn, Stockholders to Proceed Against Directors ... 130
Pittsburgh Life and Trust, Gains Reported ... 309
Philadelphia Building Code ... 425
Philadelphia Casualty Company. 152, 175, 472, 496, 531
Philadelphia Rapid Transit Lines Insured with London Lloyds ... 30
Phœnix Mutual Life and Orra S. Rogers ... 467
Phœnix Mutual Life, Growth of ... 150, 355
Phœnix of London Writing Marine Business. 48
Phœnix Preferred Accident, Appointment of ... 516
Pianos, Insurance of, by the Instalment Plan .. 28, 468
Piedmont Mutual Fire of Spartansburg, S. C., Receiver for ... 514
Pier 14, North River, Fire Insurance Loss ... 64
Pioneer Fire of Tacoma, Stockholders to Make Losses Good ... 236
Pittsburgh Coal Company, Insurance of, by London Lloyds ... 234
Pittsburgh Fire Insurance Rates ... 369, 511
Piver, John C., Trial for Criminal Libel ... 118, 150, 368, 410
Plate Glass Field, Conditions in ... 145, 516
Plate Glass Insurance, Affected by Glaziers Strike in New York ... 237
Plate Glass Insurance, Proposed New York Survey Bureau Organization ... 397
Plate Glass Insurance Rates ... 372, 472
Plate Glass Underwriters' Association ... 6, 358
Pocahontas Insurance Company of Bluefields, W. Va ... 190
Policies, Fire Insurance, Efforts to Make Uniform Clauses in Iowa ... 293
Policies, Fire Insurance, Standard Combination in New York, Notice by Superintendent Hotchkiss ... 27
Policies, Fire Insurance, "Typewriter Form" Not Permitted in New Jersey ... 495
Policies, Fire Insurance, Typewriter Forms Submitted to Superintendent Hotchkiss .. 29, 47
Policies, Life Insurance, "Dating Back" of ... 513
Policyholders' Union of Chicago, Accusations Against ... 261
Policy Registers, Agents Own Them ... 47
Porter, Dr. Eugene H., on Preventable Diseases 479
Portland, Ore., Fire Hazards of ... 514
Portland, Ore., Reduction of Fire Insurance Commissions in ... 7
Pratt, Le Gage, Elected Manager of a Cuban Company ... 80
Preferred Accident, Quarter Century Anniversary of ... 327
Preferred Life of Grand Rapids ... 370
Premium Note, Lapse of, Court Decision as to Effect of ... 354
Printing Trades Mutual Life of Chicago, Organization of ... 394
Promoting New Companies by Misleading Statements of Profits ... 1
Promotion of New Companies, Commissioner McMaster on Expenses of ... 30
Promotion of New Companies in Ohio, Five Per Cent. Fees Limitation ... 235
Promotions of New Insurance Companies Discussed ... 57
Promotions of New Insurance Companies, The New York State Insurance Department on 290, 305, 313, 341
Promotions of New Fire Insurance Companies Failures of ... 149
Proper Assessment of Fire Insurance Rates in Great Cities, Henry E. Hess on ... 516
Protective Fire of Syracuse ... 132, 353
Providence, R. I., Insurance Association, Election of President ... 236
Providence-Washington of Providence, R. I. .. 371
Provident Education, Life, Health and Accident of Asheville, N. C., Organization of. 472
Provident Health and Accident of Indianapolis, Charter and License Granted ... 152
Provident Insurance Company of Birmingham, Ala., Incorporation of ... 512
Provident Life and Accident of Tennessee, Reorganization of ... 50
Provident Mutual Life and Accident of Asheville, N. C., Organization of ... 528
Provident Savings Life of New York. 163, 292, 495

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PAGE.
Provident Savings Life of New York, Results of Examination of Policyholders..... 95
Prudential Fire of Manchester, Vt., Increase of Capital Stock of..... 411
Prudential of Newark, Christmas Anniversaries 526
Prudential of Newark, Report on a Special Examination of..... 332
Prudential of Newark, Suit to Determine Ownership of Surplus.....2, 29
Prudential of Newark, Tax Decision Against.. 323
Prussian National's Re-entry to California.... 79
Prussian National Underwriters, New Policy in California 97
Pulleys, Wooden, Fire Hazards of, in Elevator Heads 146
Puritan Life of Providence.....393, 471, 491

QUEEN of America.....61, 413, 472

RACE Suicide Not Applicable to Colonial American Stock..... 321
Railroad Cars, Largest Recorded Fire Loss of.. 392
Railway Accidents, English and American Records Contrasted..... 209
Railway Employees, Order of, Revocation of Washington License..... 394
Railway Passengers of London, Entry to United States Contemplated..... 358
Rain, Insurance Against, to Vacationers...82, 118
Raleigh, John J., Death of..... 412
Ranchman, Cremated, Insurance Carried by... 325
Rate Book of Little Rock Agency Declared Illegal 150
Rate Making, Fire Insurance, Adverse Sentiment of the Local Agents' National Convention to..... 205
Rating, Analytic System, Louisville to Adopt.. 427
Rating Board Laws, State, Discussed..... 25
Rating Board of Louisiana..... 188
Rating Laws, Should Be Attacked by the Insured 93
Rating, State, Decision of United States Judge Munger on.....405, 415
Rating, State, Proposed in Missouri..... 444
Rawn, Ira Griffiths, Insurance Policies on Life of.....66, 82
Rebates, Warning Against, by Kentucky Insurance Department..... 368
Rebating Laws, Trading Stamps Violation of. 427
Rebating of Premiums, Efforts to Prevent.....370, 408, 413, 424, 446, 470
Reinsurance, Fire, Growth of.....59, 350
Reinsurance, Meaning of, Language to Be Adjudicated 412
Reinsurance, New American Company to Be Organized in Germany..... 165
"Relation of Life Insurance to the State," Prize Essay on..... 315
Reliable Life of Indianapolis..... 528
Republic Assurance of New York, Examination of..... 80
Republic Life of Kansas City, Stock Increase.. 134
Retail Merchants Underwriters of Texas, Progress of..... 393
Rhode Island Association of Local Fire Insurance Agents, Annual Election..... 63
Riot Clause in Kentucky Not to Be Waived.. 427
Rittenhouse, President, on "The Impossibilities of Yesterday"..... 368
Roche, John F., Actuary..... 7
Rochester German California License Held Up 65
Roger Williams Fire, of Providence, R. I..355, 406
Ropke, August, Payment of Surety Bond of, by Guarantee Company of North America. 327
Rossia Insurance Company.....64, 167
Roulet Bureau of Texas, Suspension of..... 411
Rowland, M. O., New Insurance Commissioner for Michigan, Detroit *Indicator* on..... 392
Royal Arcanum, Rate Raise Enjoined.....64, 77
Royal Benefit Society of Washington, Affairs of 162
Royal Exchange of London.....44, 45, 167
Royal Indemnity Company of New York, Organization of.....295, 327, 355, 472
Royal London Auxiliary Assurance Company, Limited, of London, Organization of..165, 426
Royal of Liverpool to Do Marine Business in York State.....132, 261
Royal of Liverpool, to Organize Casualty Company 175
Royal of Liverpool, Field Changes of..... 410
Royal Victoria Life of Canada, Retirement of 411, 446

SAFETY Fund Life of Minneapolis, Examination of..... 495
Salesmen, Life Insurance, How to Train..... 197
Salvage, Fire Insurance, Chicago Complaints of Handling of..... 259
San Francisco Conflagration Claims, Settlement of..... 292
San Francisco Exposition of 1915..... 389
San Francisco, Fire Hazards of.....64, 115
San Francisco Life Insurance Company, Incorporation of.....5, 514
San Francisco, Surety Troubles in, Adjusted.. 210
San José, Cal., Fire Hazards of..... 371
Saxton, Arthur F., Appointed Chief Examiner New York Department..... 62
Savings Bank Life Insurance..... 509
School House Fires, Number of, in 1909..... 495

PAGE.
Scovel, Charles W., Pittsburgh..... 65
Scranton Fire Insurance Company.....188, 260
Seaboard Fire of Norfolk, Reinsurance of Homestead Fire of Franklin, Va..... 118
Seattle and Fire Insurance General Agencies.. 425
Seattle, Boycott of Non-represented Companies 131
Second Russian Reinsurance Company, Entry to United States..... 370
Security Life of America, Christmas Contest Among Agents of..... 426
Security Mutual Life of Binghamton, New Medical Examiners' Fee.....149, 471
Security National Fire of Philadelphia, Organization of..... 80
Security of Davenport, Capital Increase....80, 134
Security of New Haven, Appointment of a Western Manager..... 294
Security of New Haven, New Building of..... 258
Security of New Haven, Increase of Capital.. 208
Sell, John H., Resignation as President of the Peoples Surety..... 8
Seward, George F., Death of..... 448
Seward, George F., Editorial Comment on His Death 441
Shall, Mrs. Florence E., on Women Solicitors in Fire Insurance..... 502
Shaw, Ferris E., Resignation of, from United Insurance Company 355
Shawnee Fire of Topeka, Action of the National Convention of Insurance Commissioners 268
Shawnee Fire of Topeka, Examiner Wolfe's Report on.....167, 312
Shawnee Fire of Topeka, Exposure of, by Examiner Wolfe, Discussed..... 257
Shawnee Fire of Topeka Reinsured by the National Fire of Hartford.....234, 410, 514
Sheep, Insurance of..... 32
Sherman Hotel, Chicago, Example of Fireproof Construction 490
Skyscraper Fires..... 272
Society of Insurance Medical Officers, Organization of..... 354
Sons and Daughters of St. Luke, Troubles of 164
Sons of Benjamin, Order of, Proceedings Against by Superintendent Hotchkiss.... 469
South Bend Life of Indiana..... 527
South Carolina Fire Insurance Agents' Association, Annual Meeting..... 62
South Carolina Firemen's Pension Tax Law, Comments on..... 1
South Carolina Life Insurance Agents Organize 118
South Carolina, Statistics of Fires in..... 393
South Carolina, Unauthorized Companies Warned Against..... 165
South Dakota, Proposed Changes in Casualty Laws of..... 448
South Eastern Underwriters' Association, Constitution Revision Committee..... 46
South Eastern Underwriters' Association, and the Newport News Cases.....
6, 133, 349, 351, 367, 443, 469
Southern Casualty and Surety Conference, Formation of.....263, 469, 496
Southern Fire of New Orleans, Receivership 165, 209, 236
Southern Home Fire of Charleston, S. C., Organized 188
Southern Insurance Association, Proposed Organization of.....47, 394, 425
Southern Life of Fayetteville, N. C., Sale of to Be Investigated..... 78
Southern Life of Texarkana, Tex., Change of, from Mutual to Stock Basis..... 355
Southern States Mutual Life of Charleston, W. Va., Health Association Established. 156
Southern Tornado Insurance Association, Organization of..... 118
South German Reinsurance Company, Entry to New York State..... 370
Southland Life of Dallas, Tex., Business of.. 28
Southwestern Casualty of Oklahoma City, Change of Name..... 67
Southwestern Fire of Albuquerque, N. M.236, 394
Southwestern Life, Transfer of Virginia Business of, to American National Life of Lynchburg 424
Southwestern Surety of Oklahoma, Oklahoma License Granted to..... 372
Sovereign Fire of Canada, Admission to United States.....356, 427, 470, 494, 514
Specialization on Corporation Insurance, Profits of..... 5
Springfield Fire and Marine, Field Changes of 511
Sprinkler Equipment, Case of Failure of..... 4
Sprinkler Leakage Business, Competition for. 152
Sprinkler Leakage, Damage by..... 133
Sprinklered Risks in Philadelphia..... 470
Sprinklered Risk Underwriters of Chicago Barred from Tennessee..... 63
Squires, Insurance Commissioner of Utah, Death of..... 309
St. Joseph, Mo., Fire Prevention Bureau..... 78
St. Louis Board of Life Underwriters..... 446
St. Louis Fire of St. Louis, Consolidation with Century Fire of Des Moines..... 528
St. Louis National Life.....27, 78, 234, 411
St. Paul Mutual Hail and Cyclone Insurance Company, Revocation of License of..234, 426
Stamford, Conn., Water Supply of..... 514

PAGE.
Standard Annuity Life of Evansville, Organization of..... 64
Standard Home of Delaware, Tex., Affairs of. 150
Standard Insurance Directory, Publication of 1910 Edition of..... 408
Standing Timber, Insurance of, in Canada.... 392
State Board Rating, O. B. Ryon on..... 131
State Fire Marshals, List of..... 533
State Fire of Omaha, Neb., Iowa License Granted 371
State Insurance, British Scheme for, London *Review* on.....86, 267, 422
State, Insurance by the..... 18
State Made Rates, *Fireman's Fund Record* on 162
State Rating Board of Louisiana, Members Appointed 188
State Rating Advised in South Dakota by Commissioner Basford..... 409
State Rating Boards, The Nebraska Decision Discussed 405
State Rating for Fire Insurance, Commissioner Potter of Ilinois on..... 176
State Life of Enid, Oklahoma, Progress of... 133
State Life of Indianapolis..... 148
State Mutual Life of Worcester, Mass..... 118
Stockdell, H. C., Elected Secretary of the Columbia Fire of Athens, Ga..... 309
Stock Holdings of New York Life Companies, Extension of Time for Disposing Asked.. 257
Stock Selling of Projected Companies, Investigation of, in New York State..... 34
Stockton, Cal., Fire Hazards of..... 529
Street Railway Association of the State of New York, Insurance Expert for..... 513
Strike of Industrial Life Agents in Pennsylvania 129
Suburban Fire Insurance Exchange of New York 64, 326
Suicide and Life Insurance Discussed..... 365
Suicide Clause, Iowa Court Ruling Upholding 351
Suicide, Colorado Law Permitting Same Dur- in First Year of Life Policy..... 494
Suicide, Proposed New Legislation on, in Missouri 49, 106
Sullivan, Percy B., Insurance Activities of... 391
Sun Fire Office of London, Early Days of.... 28
Sun Life of Canada, Reinsurance of Business of Victoria Life of Montreal..... 446
Sunstroke, Insurance Against Death from.... 33
Sun Underwriters of London, Establishment of 166
Supervision, National, President Kingsley on, Discussed 257
Supervision of Insurance, Commissioner Young on 337
Supervision of Insurance, Ex-Superintendent Vorys on..... 245
Supervision of Insurance, National, James C. Jones on..... 247
Surety Association of America.....210, 327, 358
Surety Claim Reserve Insufficiency, Commissioner Hardison on..... 175
Surety Fund Life of Minneapolis, Reincorporation of..... 511
Surety State Rating Board of Nebraska Unconstitutional 405, 415
Surety Underwriters' Association, Meeting of. 106, 295
Surety Underwriters' Association of Minnesota, Organization of..... 82
Surety Underwriters' Association of St. Louis, Election of Officers..... 238
Swift & Co. Plant, New Policy Form for..... 118
Swiss National Fire to Enter United States.. 167
Swiss Reinsurance Company, New York License Granted.....97, 326
Syracuse, N. Y., New Building Code for..427, 446

TACOMA Fire Insurance Agents on Commissions 188
Taxation, Increase of, to Fire Insurance Companies in Mississippi..... 427
Taxation, Life Insurance Premiums Paid by Mail Exempt from Tax in Ohio..... 445
Taxation, Local, Insurance Commissioner McMaster on..... 510
Taxation, New Plan of, in Virginia for Insurance Companies..... 207
Taxation of Fire Insurance for Disabled Firemen, Virginia Supreme Court Decision.446, 465
Taxation of Insurance by Cities and Towns, Comments on..... 93
Taxation of Insurance in Indiana....79, 149, 306
Taxation of Insurance in Oklahoma..... 132
Taxation of Insurance, President Johnson of National Life of U. S. A. on..... 132
Taxation of Insurance, Paper by Professor Adams on..... 478
Taxation, Insurance, Reduction Advocated by the Merchants' Association of New York.. 441, 458
Taxation, Revision of, in Montgomery, Ala.. 495
Taxes, Report on Iowa Department..... 513
Taxicabs, Increased Liability Rates for..... 190
Telephone Exchanges, Fire Insurance Rates for 426
Tennessee Association of Local Fire Insurance Agents 513, 528
Texas and Employers' Liability Laws.....411, 515
Texas and Fraternals..... 411
Texas and Marine Insurance Company Bonds. 79
Texas Fidelity and Bonding Company of Waco, Organization of..... 190

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PAGE.
Texas Fire Insurance Situation Discussed..41, 54
Texas, Fire Record of.....308, 325
Texas, Governor's Message, Comments on..... 73
Texas Insurance Commissionership.....446, 468
Texas Insurance Department, Ruling on Guaranteed Annual Dividend Policies..... 425
Texas Life Convention, Organization of..470, 491
Texas, Local Agents' Association and the State Rating Law..... 95
Texas, New Forms for Reports of Annual Business in..... 468
Texas, New Life Companies Organized in.... 513
Texas, Rating Board Legislation..... 185, 186, 424, 469, 511, 529
Texas, Situation in, Comments on..... 57, 94, 113, 122, 129, 185
Texas, State Rating Board Law, Rulings Under..3, 27, 131, 151, 308, 326, 390, 391, 409, 469, 494, 573
Texas Surety and Insurance Company of San Antonio, Organization Expenses of..... 136
Texas, Surety Business in..... 515
Theatre Fire Insurance Rate, Lowest in Country 133
Three-fourths Loss Clause, Decision Against in Mississippi 410
Through the Company's Eye..35, 87, 199, 315, 383
The *Commercial Times* of Chicago, Suspension of Publication..... 325
"The Fire Insurance Gouge," in *Pearson's Magazine* 74
(The) *Insurance Herald*, New Assistant Editor of 324
(The) *Insurance Herald*, New Typographical Appearance of..... 407
(The) *Insurance Report*, new Headquarters of 207
(The) London *Saturday Review* on Tendency of Insurance Companies to Enlarge..... 324
(The) Los Angeles *Times*, Insurance on Destroyed Plant of..... 355
(The) *Popular Insurance Magazine*, Initial Number of..... 323
Timber, Standing, Insurance of, Against Fire. 392
Tobacco Industry, Article by J. G. Hoagland on.....9, 99, 169, 269
Tobacco Insurance in Kentucky..409, 410, 427, 495
Toledo Life of Ohio, Election of Officers..... 368
Tooth Insurance, Project of Dentist for..... 370
Topeka, Kan., Fire Insurance Troubles in... 323
Tornado Insurance..... 356
Tourists' Baggage Tickets, Sale of..... 121
Townsley, Henry R., Arrest of..... 368
Trading Stamp Insurance, Revival of..... 8
Trading Stamps with Insurance Policies Unlawful 427
Transylvania Casualty Company of Louisville, Incorporation of..... 263
Travelers Indemnity, Increase of Capital Stock of 310
Travelers Insurance Machine Company of Louisville, Ky., Suit Against..... 106
Travelers of Hartford, Agents' Convention... 210
Travelers of Hartford, Pacific Coast Agents' Annual Meeting..... 134
Travelers of Hartford, Suit of H. W. Fisher Against 67
Travelers of Hartford, Suit to Prevent Use of Name 263
True Reformers, Grand United Order, Failure of 365
Tuberculosis Exhibit by the Metropolitan Life. 209
Tuberculosis Patients, Advice by Metropolitan Life to..... 43
Twin City Fire of Minneapolis, Incorporation Papers Approved..... 132
Twins, Insurance Against, Written at Lloyds. 371
"Twisting," Court Decision on..... 323
"Twisting," Odd Case of, in Boston..... 96

UNAUTHORIZED Companies, Georgia Court Decision Against..... 208
Unauthorized Insurance in Ohio..... 392
Underwriting Company of Louisville, Incorporation of..... 80
Underwriters' Association of New York State, Annual Election of.....61, 492
Underwriters' Bureau of New England, Annual Meeting of..... 407
Underwriters General Agency Company of New Orleans, Organization of..... 166
Underwriters Laboratories, Objects of Tests at, Secretary Merrill on..... 147
Underwriters' Policies, New York Insurance Department Ruling Concerning..... 351
Unearned Premium Liability in Reinsurance, Superintendent Hotchkiss on Computation of 60
Unemployment Insurance Discussed..... 349
Uniformity in Insurance Laws Discussed..... 27
Union Central Life, Action of Insurance Commissioners on Stockholders' Dividend Question 501
Union Central Life, Brief Filed with the Insurance Commissioners on Legality of the Stock Dividend.....441, 470
Union Central Life, Ownership of Surplus, Action by Insurance Commissioners on Court Decision 45, 470
Union Central Life, Semi-Annual Statement... 64
Union Fire of Buffalo Again Writing Business 356
Union Fire of Paris, New York License Granted 236

PAGE.
Union Guarantee and Insurance Company of Jackson, Miss., Organized..... 166
Union Life of Chicago.....371, 392
Union National Accident of Philadelphia..120, 326
"Unique Manual of Facts and Figures," 1910 Edition of..... 132
United Fidelity and Guaranty of Baltimore, New Southeastern Department of..... 497
United Firemen's of Philadelphia....262, 291, 356
United Insurance Company of Arizona..... 166
United Order of True Reformers, Suspension of License of..... 353
United States Annuity and Life of Chicago... 446
United States Casualty Company.....52, 66, 358
United States Fidelity and Guaranty Company.....7, 14, 210, 428
United States Fire Losses Classified..... 453
United States Lloyds, Texas License Refused. 31
United States Treasury Department, List of Surety Company Limits.....98, 135
United Surety of Baltimore.....358, 447, 531
Unity Assurance Company of London, Formation of..... 325
Upson, Theron, Death of..... 395
Utah Insurance Commissionership.....325, 424
Unusual Accidents (See Accidents).....

VAIL, LEWIS H., of Dutchess Insurance Company, Trial of.....208, 234
Van Laningham, O. L..... 411
Van Wyck, Samuel, Death of..... 327
Vermont Association of Local Fire Insurance Agents, Officers Elected..... 352
Vest Pocket Life Agents' Brief..... 368
Virginia Field Club, Officers Elected..... 309
Von Rosenberg, Fred C., Commissioner of Texas, Sketch of..... 130
Vulcan Fire of Oakland, Cal., Incorporation of 165, 236

WARD, LESLIE D., Death of..50, 67, 77, 352
Warren-Ehret Roofing Company, Suit by Fire Insurance Companies Against.... 495
Washburn-Crosby Company of Minneapolis, Insurance Department of..... 423
Washington Fire of Seattle.....355, 444
Washington National Life, Incorporation of.. 410
Washington State Association of Local Fire Insurance Agents..... 425
Washington State, New Plan of Government for Fire Insurance in..... 526
Wasson, Hiram Passmore, Death of..... 81
Watchman's Clause in the Fire Insurance Policy 352
Water Supply, Study of, in Western States by Western Union..... 491
Water Waste, London and New York Compared as to..... 291
Weed, Samuel R., on the Moral Hazard in Fire Insurance 433
Wellesley College, Organization of Fire Department Among Girls of..... 392
Wells-Fargo Express Company, Insurance with Lloyds 189, 292
Western and Atlantic Fire of Nashville..... 133
Western Casualty and Guaranty Company of Oklahoma City..... 67
Western Commercial Travelers' Association.. 117
Western Insurance Bureau of Non-Union Companies.....115, 133, 322, 366, 369, 528
Western National Fire, Organization of..... 471
Western Reserve Life of Cleveland, Ohio, Withdrawal of, from Eastern Field..... 513
Western States Life of San Francisco..... 30, 371, 411, 424
Western Union, Applications for Membership.. 47
Western Union, Campaign of Publicity, Progress of..... 423
Western Union, Committees Appointed..... 307
Western Union, New Governing Committee of. 326
Western Union, Proceedings of Annual Meeting 211
Western Union, Rulings.....258, 292, 408
Western Union Telegraph Company, Suit Against 510
West Virginia, Fire Loss Ratio in..... 6
West Virginia Fire Underwriters' Association, Semi-Annual Meeting of..... 119
West Virginia, Proposed Insurance Legislation in..... 511
Whiskey Insurance, Court Ruling as to Valuation of When in Storage..... 393
Whitney, Prof. A. W., Address at the National Fire Underwriters' Meeting..... 215
Whitney, Prof. A. W., *Gjallarhornet* of Stockholm, Sweden, on..... 528
Widows and Orphans Fund Legal Reserve Life, Change of name..... 133
William Penn Fire, Capital Increase of..... 308
Williamsburgh City Fire, New President Elected 292
Wilson, George T., Address at the National Life Underwriters' Convention..... 195
Winnipeg, Fire Insurance Losses in..... 97
Winona Fire of Minneapolis, Extension of Activities of.....236, 394
Wisconsin Insurance Commissionership...187, 528
Wisconsin National Life, Business of Northwestern Casualty Reinsured..... 152
Wisconsin, New Dwelling House Tariff Rate.. 47
Wisconsin State Fire Prevention Bureau, New Officers Elected..... 308

PAGE.
Wisconsin Warning to Unlicensed Companies Insuring Wisconsin Citizens.....349, 359
Wolfe, S. H., Examinations in California..... 48
Wolfe, S. H., on Liability Loss Reserves..321, 328
Wolfe, S. H., Withdrawal of Libelous Charges Against 350, 512
Woodmen of the World, Suit Against, Won by 308, 356
Woods, E. A., on Work for College Men..... 475
Workmen's Compensation Laws..... 168
Workmen's Compensation Law in Ohio..... 135
Workmen's Compensation Law of Great Britain 152, 357
Workmen's Compensation Laws of New York Discussed 161
Workmen's Compensation Legislation in Illinois 168
Workmen's Compensation Legislation in Wisconsin, Progress of..... 188
Workmen's Compensation Service and Information Bureau.....471, 516
Workmen's Insurance in Germany, London *Chronicle* on..... 178
World's Insurance Congress at San Francisco in 1915.....353, 389

INSURANCE LEGISLATION.

Connecticut, Proposed Insurance Legislation. 531
Georgia, Fire Insurance Deposits (Heard).. 107
Georgia, Insurance Taxation (Thompson)... 107
Georgia, Regulating Insurance Deposits (Pickett) 33
Georgia, Summary of Legislation..... 137
Louisiana, Anti-Compact (Richardson)..... 33
Louisiana, Employers' Liability (three bills), (Barrett) 15, 33
Louisiana, Rating Board Bill (Byrne).....33, 51
Louisiana, Summary of Legislation..... 51
Georgia, To Create Firemen's Pension Fund (Lawrence) 15
Missouri, Proposed Legislation.....429, 531
New Jersey, Employers' Liability Law..... 429
New York, Summary of Legislation..... 15
Oregon, Proposed Insurance Bills..... 516
Oregon, Recommendations of Commissioner Kozer 429
Texas, Governor's Message.....67, 83
Texas, Repeal of Old Rating Board Law (Hudspeth) 67, 121
Texas, House Committee State Rating Board Bill.....121, 137, 152, 176
Texas, State Fire Rating Board (Baker)..... 83
Texas, State Fire Rating Board (Hudspeth, Bradfield and Willacy).....83, 107
Texas, State Fire Rating Board (Terrell)... 83
United States Congress, Code of Insurance Laws for the District of Columbia..... 15
Vermont, Incorporating Fireside Insurance Company of St. Johnsburg..... 483
Vermont, Insurance Brokerages (Powell).... 457
Vermont, Relating to Liability of Employers. 457
Vermont, to Make Accident Policies Incontestable (Stone)..... 413
Vermont, to Regulate Fire Insurance Policies (Roy) 413, 429
Vermont, Valued Policies (Bammitt)..... 429

INSURANCE STATISTICS—OFFICIAL REPORTS.

INSURANCE DEPARTMENT REPORTS OF 1910.
Alabama Insurance Report..... 258
Canada Insurance Report..... 414
Colorado Insurance Report..... 148
District of Columbia Insurance Report..... 359
Illinois Fire Insurance Report..... 176
Maine Insurance Report..... 199
Michigan Life Insurance Report..... 457
Michigan Insurance Report..... 14
Massachusetts Life, Casualty and Surety Insurance Report..... 154
Minnesota Fire Insurance Report..... 153
New York Casualty Insurance Report..... 263
New York Insurance Report, Examinations, Etc. 490
New York Fraternal and Assessment Insurance Report 397
New York Life Insurance Report..... 176
Oklahoma Insurance Report..... 457
Oregon Insurance Report.....153, 531
North Carolina Insurance Report..... 260
South Dakota Insurance Report..... 458
Texas Life Insurance Report..... 176
Washington, Insurance Report of..... 425
West Virginia Insurance Report..... 372
Wisconsin Insurance Report..... 238
STATISTICS OF BUSINESS, 1910.
Fire Losses in the United States, General Classification of, by Months..... 11, 101, 171, 273, 376, 453
Fire Losses in the United States and Canada, Last Six Months of 1910..... 26, 115, 186, 291, 366, 466

INSURANCE IN THE COURTS.

TABLE OF CASES.
Ætna Insurance Company *vs.* Holmes..... 274
Allemannia Fire Insurance Company *vs.* Fordtran 104
Alfred Hiller Company *vs.* Insurance Company of North America..... 13

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PAGE.
American Central Insurance Company *vs.* Chancey 13
American Insurance Company *vs.* McVickers Brothers 454
Ampersand Hotel Company *vs.* Home Insurance Company 105
Athens Mutual Insurance Company *vs.* R. H. Ledford & Son 104
Atlas Insurance Company *vs.* Robinson 12
Atwood *vs.* Caledonian-American Insurance Company 171
Bakhaus *vs.* Caledonian Insurance Company 378
Bakhaus *vs.* Germania Fire Insurance Company 13
Becker *vs.* Exchange Mutual Fire Insurance Company 13
Bechman *vs.* Edwards 377
Brown *vs.* Home Insurance Company 13
Bruff *vs.* Northwestern Mutual Fire Association 173
Buchman *vs.* Insurance Company of North America 104
Burbank *vs.* Pioneer Mutual Insurance Association 454
Capella *vs.* Royal Insurance Company 103
Capital Fire Insurance Company *vs.* Carroll 174
Carlton County *vs.* Farmers Mutual Fire Insurance Company 173
Cash *vs.* Concordia Fire Insurance Company 103
Citizens Mutual Fire Insurance Company *vs.* Conowingo Bridge Company 379
Craig *vs.* Insurance Company of State of Pennsylvania 454
Delaware Insurance Company *vs.* Hill 12
Early *vs.* Providence and Washington Insurance Company 275
Ely *vs.* Oakland Circuit Judge 455
Emory *vs.* Glens Falls Insurance Company 172
Exchange Mutual Fire Insurance Company *vs.* Warsaw-Wilkinson Company 456
Federal Insurance Company *vs.* Gilmour 172
Federal Union Surety Company *vs.* Flemister. 377
Flynn *vs.* Hanover Fire Insurance Company 105
Foster *vs.* Missouri Pacific Railway Company 102
Funk *vs.* Shawnee Fire Insurance Company 13
German-American Insurance Company *vs.* Fuller 380
German Fire Insurance Company *vs.* Duncan 380
Globe Rutgers Insurance Company *vs.* Johnson 13
Goesch *vs.* Niagara Fire Insurance Company 173
Goesch *vs.* Phœnix Insurance Company 173
Goodwin *vs.* Union Insurance Company of Philadelphia 455
Gray *vs.* Reliable Insurance Company 380
Greenough *vs.* Phœnix Insurance Company 276
Guion *vs.* Peoples Fire Insurance Company 274
Hamburg-Bremen Fire Insurance Company *vs.* Swift 378
Havlik *vs.* St. Paul Fire and Marine Insurance Company 379
Hix *vs.* Sun Insurance Company 13
Hodge *vs.* Franklin Insurance Company 174
Home Insurance Company *vs.* Hamilton 103
Home Insurance Company *vs.* Rogers 104
Home Fire Insurance Company *vs.* Stancell 102
Klein Brothers & Co. *vs.* German Union Fire Insurance Company 274
Kupfersmith *vs.* Delaware Insurance Company. 173
Langsner *vs.* German Alliance Insurance Company 104, 273
Lawrence *vs.* Union Insurance Company 276
Lawver *vs.* Globe Mutual Insurance Company. 380
Leisen *vs.* St. Paul Fire and Marine Insurance Company 455
Liverpool and London and Globe Insurance Company *vs.* Tillamook Lumbering Company 105
Lowenstein *vs.* Queen Insurance Company 12
Madsen *vs.* Farmers and Merchants Insurance Company 173
Marino *vs.* Hartford Fire Insurance Company. 103
Mayfield *vs.* Southern Railway Company 103
Mecca Fire Insurance Company *vs.* Moore 103
Milwaukee Mechanics Insurance Company *vs.* Frasch 378
Monteleone *vs.* Seaboard Fire and Marine Insurance Company 275
Morris *vs.* Dutchess Insurance Company 104
Morris McGraw Woodenware Company *vs.* German Fire Insurance Company 103
Mowry & Payson *vs.* Hanover Fire Insuranve Company 275
Mutual Fire Insurance Company *vs.* Ritter 379
National Fire Insurance Company *vs.* J. W. Caraway & Co. 276
Norwich Union Fire Insurance Society *vs.* Cheney Brothers 172
Ohio Farmers Insurance Company *vs.* Titus 172
Pacific Heating and Ventilating Company *vs.* Williamsburgh City Fire Insurance Company 456
Peever Mercantile Company *vs.* State Mutual Fire Insurance Company 380
Phenix Insurance Company *vs.* Hilliard 274
Phœnix Insurance Company (ex parte) 103
Phœnix Insurance Company *vs.* Adams 102
Port Blakely Mills Company *vs.* Springfield Fire and Marine Insurance Company 377
Queen of Arkansas Insurance Company *vs.* Pendola 104

PAGE.
Queen Insurance Company *vs.* Hartwell Ice and Laundry Company 173
Ralph Brown Company *vs.* Norwich Union Fire Insurance Society 454
Reiwold *vs.* Farmers Mutual Fire Insurance Company 274
Rolfe *vs.* Patrons Androscoggin Mutual Fire Insurance Company 275
Rosen *vs.* German Alliance Insurance Company 274
Salem *vs.* Connecticut Fire Insurance Company 174
Scheel *vs.* German-American Insurance Company 174
Scottish Union and National Insurance Company *vs.* Coloard 456
Scottish Union and National Insurance Company *vs.* Wade 102
Settle *vs.* Farmers and Laborers Co-operative Insurance Association 456
Siemers *vs.* Meeme Mutual Home Protection Insurance Company 105
Smith *vs.* Republican County Mutual Fire Insurance Company 174
Spokane Merchants' Association *vs.* Parry 454
Spring Garden Insurance Company *vs.* Amusement Syndicate Company 173
State, ex. rel. Guion *vs.* Peoples Fire Insurance Company 274
State Mutual Insurance Company *vs.* Craig 456
Sutherland *vs.* Federal Insurance Company 273
Swing *vs* Mooney 376
Swing *vs.* Wanamaker 276
Tierney *vs.* Helvetia Swiss Fire Insurance Company 102
Vertrees *vs.* Head & Matthews 12
Walrath *vs.* Hanover Fire Insurance Company. 275
Watts *vs.* Phenix Insurance Company 273
Weinberger *vs.* Agricultural Insurance Company 173
Weissman *vs.* County Fire Insurance Company 276
In re Citizen Mutual Fire Insurance Company 455
In re Sejo Ice Cream Company 456

TABLE OF SUBJECTS.

Action by Mortgager 275
Action on Policy 13, 102, 104, 172, 275, 276, 379, 380, 454
"Actual Value" Defined 377
Adjuster, Knowledge by 455
Adjuster, Power of 454
Agents, Action by 378
Agent, Agreement by 273
Agent, Conduct by 276
Agent, Definition of a General 380
Agent, Knowledge by 12, 104, 172, 380, 455
Agent, Liability of 12, 377
Agent of Insured 103
Agent of Insurer 103, 376
Agent of Insurer Advances Premium 456
Agent of Insurer, Errors of 455
Agent, Powers of 12, 102, 274, 378, 456
Agent, Statements by 275
Agent, Waiver by 378
Agent, Waiver of Conditions by 456
Agency, Revocation of 273
Agency, Yearly Profits Defined 171
Alterations 171
Apportionment of Loss 172
Appraisal 172, 273, 274, 275, 455
Appraisal, Demand of 104
Arbitration 13, 102, 103, 174, 378
Assessments 174, 276
Assessment, Mutual Company 456
Assessors, Valuation by 174
Assignment of Policy 11, 276, 454
Assignment 13, 173, 174
Attorney's Fees 172, 275, 377
Bad Faith 104, 273
Binder 173
Breach of Warranties 377
California Statutes Construed 456
Cancellation 103, 174, 274
Cancellation and Withdrawal, Difference Defined 275
Cessation of Operations 174
Charter of Corporation 273
Change of Interest 12, 273
Change of Title 104, 274
Clause Against Incumbrances 103
Compromise 378
Conditions of Policy 380, 456
Construction of Policy 174
Conspiracy 105
Contract of Insurance 276
Cyclone Insurance 102
Delivery of Policy 103, 275
Duty to Insure 454
Earthquake Clause 456
Erroneous Statements 172
Explosion of Powder 102
False Inventory 13
False Proof of Loss 174
False Statements in Proof of Loss 378
Fire, Evidence of 103
Forfeiture 172, 273, 377, 456
Foreign Company, Compliance with Laws of State 276
Foreign Company, Revocation of License 274
Foreign Company, Service of Process Upon 102
Fraud 104, 174
Garnishment Proceedings 378

PAGE.
Gasoline Permit 12
General Agent Defined 380
Gifts to Insured 378
Good Faith 275
Hazard, Increase of 105, 378, 380
Impeachment of Award 275
Incendiarism 12, 105, 173, 377
Increased Hazard 380
Increased Hazard Clause 378
Increase of Risk 105
Incumbrances 103
Indemnity Bonds for Mutual Company 377
Insolvent Company 376
Insurance, Contract of 276
Insurable Interest 12, 103, 275
Interest Award 378
Interest of Insured 379
Inventory 12
Inventory, Falsification in 13
Iron Safe Clause 104, 276, 380
Liability of Agent 377
License, Revocation of 274
Loss, Apportionment of 172
Loss Payable 104
Loss, Penalty for Non-payment of 102
Loss, Statement of 276
Material Fact Clause 173
Misrepresentation 102, 276, 456
Michigan Statute Construed 454
Mortgage and Sale 12
Mortgage Clause 172
Mortgagee Claims 13
Mortgagee Clause 12, 173
Mortgagee, Policy of, Assignment 11
Mortgagor and Mortgagee, Duty to Insure 454
Mortgagor, Action by 275
Mortgagor, Rights of 11
Mutual Company, Assessments 174, 276, 456
Mutual Company, Deposit of Premium 456
Mutual Company, Indemnity Bonds 377
Mutual Company, Insolvency 376
Mutual Company, Receivership 377
Mutual Company, Rights and Liabilities Under Michigan Laws 454, 455
Non-payment of Loss, Penalty for 102
Non-payment of Premium 13, 102
North Dakota Statute Defined 455
Occupancy 378
Other Insurance 12, 13, 104, 172, 276, 380
Ownership of Property 455
Owners, Names of 104
Overvaluation 12
Policy, Affected by North Dakota Statute 455
Policy, Conditions of 378, 380
Policy, Construction of 174, 377, 456
Policy, Delivery of 103, 275
Policy, Reformation of 12, 274
Policy, Rights Under 275
Policy, Withdrawal of 275
Powder, Explosion of 102
Powers of Agent 456
Process, Service Upon Foreign Companies 102
Profits of Agency Defined 171
Premiums, Deposit of, in Mutual Companies. 456
Premium, Non-payment of 13, 102
Premium Notes, Assessments 174
Premium, Paid by Agent of Insurer 456
Premium, Payment of 102, 380
Proof of Loss 11, 13, 103, 275, 378, 379, 454
Proof of Loss, Action 172
Proof of Loss, Erroneous Statements 172
Proof of Loss, Evidence 379, 455
Proof of Loss, Falsification in 174, 378
Proof of Loss, Fraud in 174
Proof of Loss, Waiver 103, 274
Rate of Settlement 453
Reformation of Policy 12
Receivership for Mutual Company 377
Reformation of Policy 274
Reinsurance Defined 172
Renewal of Policy 13
Riders 275
Risk, Increase of 105, 378, 380
Risks Assumed, Power of Agent 12
Roller Mill 174
Sale and Mortgage 12
Salvage Clause 105
Settlement of Claims 453
Sole Ownership Clause 13, 104, 173, 274, 378, 380
Sound Value 377
Statement of Loss 276
Subrogation of Insurer 11, 102, 103, 455
Surety, Liability of, for Loss 377
Tender by Insurer 275
Theft of Property 377
Title Change in 104, 274
Total Loss, Liability 379
Vacancy Permit 273
Valuation by Assessors 174
Value, Actual, Defined 377
Value of Property 380
Waiver Defined 274
Waiver, Evidence 379
Waiver of Conditions of Agent 378
Waiver, Statutory 275
Watchman Clause 105
Warranties 174
Warranty, Breach of 377
Withdrawal of Policy 275
Wrongdoer, Action Against 173

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The Weekly Underwriter:

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

INSURERS and insured are particularly interested in the fate of three bills left with Governor Hughes by the New York Legislature, which he decided this week. These were the bill extending the limit of the amount which life insurance companies may write annually; the bill prescribing standard provisions for accident and health policies, both of which the Governor approved, and the bill making the fire insurance broker the agent of the insurance company, which he vetoed. The latter was a particularly vicious measure, and the persistence with which a majority of the Legislature stood by it can only be accounted for by bull headed animosity toward the insurance interests. Fortunately, the Governor was not bull headed in this instance. His approval of the accident and health bill in the form in which it was finally enacted was in the nature of a surprise, for in doing it he discredited his Insurance Superintendent—the man after his own heart. The Governor has also done something toward repairing the injustice to the life insurance companies of his limit law by consenting to a relaxation of its severity, and so he will go out of office with a better feeling toward him from all three insurance estates—fire, casualty and life. Perhaps he might improve still more were he to stay right on, but insurance will prefer to take its chances with another kind of Governor.

THE firemen have not been as successful in Louisiana as they were in South Carolina in scaring the members of the Legislature into voting to tax fire insurance companies for fire department pensions. The Senate Committee on Corporations in the Louisiana Legislature, after listening to the pleas of the firemen and the protests of the underwriters, had the courage to report unfavorably on the pension bill, and the Senate had the courage to concur. Considering how large a part the demands of constituents upon their representatives in legislatures for special privileges, with threats of defeating their re-election if they resist, play in influencing legislation, the Louisiana law makers have made a creditable record in this respect. They have at the same time protected the much larger, if less aggressive, part of their constituency—the fire insurance policyholders—from an unfair burden which they would have had ultimately to pay. In this connection it is interesting to notice that the fire insurance companies doing business in South Carolina do not purpose to submit to the firemen's pension tax law passed by their Legislature without trying its validity in the courts. They fought a previous law successfully that way, and they have the same principle behind their contention again. The legislators and the Governor who signed their bill have saved their popularity with the firemen, but they have not yet established the right to make the fire insurance business pay for the support of any class of sick people.

A CORRESPONDENT, who is a bank director, sends us a copy of a letter received from a promoting company in the State of New York, which proposes that he shall take advantage of a very alluring opportunity to be one of a limited number of directors of banks who may buy stock in a new five million dollar fire insurance company just launched. The promoting company suggests to the recipient of this offer that "it will mean much to you in the way of cash dividends," and adds this very tempting bait: "The net earnings averaged in 1909 by twenty-eight New York State fire companies were seventy-one per cent.—stockholders' profits." Our correspondent wants to know if "the foregoing is not a grossly misleading statement made to catch unwary subscribers?" and also "is there any wonder that the public are clamoring for lower rates and asking for State regulation of the same?" We should say that the expression "grossly misleading" is not strong enough to describe the mendacity of the promoting company. It is a matter of common observation, however, that promoters exaggerate the profits of the business to which they invite the investment of capital, and we regret to see something of this kind in the inducements held out by a reputable Southern underwriter for a large company which he is organizing. The statements of big profits in fire insurance which shine in the prospectuses of promoters are seen by the public, and, as our indignant correspondent says, cultivate the belief that rates are enormously high and should be reduced by State legislation. The evil has grown to such an extent that the law passed by the present New York Legislature at the instance of the State Insurance Department comes at the right time to check it. In announcing the approval of the law by the Governor, Superintendent Hotchkiss says:

> During recent years promoters and stock salesmen, particularly in the Western and Southern States, have been very active in the organization of insurance corporations, their plans usually involving the procurement of a charter authorizing a large capitalization and the solicitation of funds with which to make up the capital through the sale of stock in small denominations to people of moderate circumstances through the means of attractive advertising and glib agents. Many of these schemes have proved to be fakes, and even the best of them have resulted in the initial capital being reduced by a promotion expense of from 15 to 40 per cent. In spite of vigorous action on the part of insurance commissioners in various States, promoters and agents continue to thrive at the expense of the public. It is the intention of the Insurance Department immediately to begin an investigation of each of the companies of this class concerning which it now has information, and the people of the State are requested to bring to the attention of the department all schemes of this kind now being promoted in New York, to the end that such investigation may be thorough.

The conviction of a few of these promoters on the

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charge of "obtaining money under false pretenses," followed by hard labor during the present heated term, would break up their practices. In the interest of truth about profits in fire insurance underwriters should co-operate with the Superintendent in enforcing the law.

Facts and Opinions.

The compromise reached on the **proposed uniform fraternal bill** at the recent conference between the fraternals and the insurance commissioners in New York is regarded as a very important step toward the desired goal of adequate rates. The Modern Woodmen, the largest of the fraternals, who have opposed the proposed measure requiring increases in rates and valuation of certificates, were found to be still antagonistic at the conference, backed up by several of their associates. Finally the insurance commissioners informed the fraternal managers that they had gone the limit in the way of compromise in hope of securing a working agreement, and that the tentative bill agreed upon in Chicago contained many unscientific features which the commissioners would be entirely unable to defend, but which had been inserted merely in hope that they would make it easier for the fraternals to enter upon the work of reform. If, however, the fraternals were unable to get together on any reasonable proposition—it being conceded that the antagonism of the Modern Woodmen could prevent the adoption of any measure owing to their great political influence—the commissioners were disposed to withdraw the tentative bill and prepare a measure which would be based on actuarial principles and could be defended, and would go before the public with it, believing that they had done all that could be expected to secure reforms, and that the responsibility for future disasters must rest upon the recalcitrant fraternals. The Modern Woodmen had finally conceded the importance of valuation of certificates, but had wanted the valuations kept secret and given only to the members of the order until 1918, when the information was to be given to the insurance commissioners alone. As this proposition would postpone any effective action for nearly ten years there was strenuous opposition, and after the position of the insurance commissioners had been made plain authority was given by wire from the home office of the Modern Woodmen for a compromise. An agreement was reached by the fraternals in favor of public valuations, with an improvement of not less than 5 per cent. in any deficiency required after January 1, 1918, and with a prohibition of any new fraternals with rates lower than provided by the National Fraternal Congress table of mortality. It was believed that the insurance commissioners, who meet July 1 at Nashville, to incorporate these agreements in the proposed measure, would insist upon advancing the date after which improvement is required, probably to 1914 or 1915. It is believed, however, that this concession is a marked step in advance, the provision for valuations and publicity being a most valuable educational feature in the campaign for adequate rates.

During the course of the **argument by attorneys** for the Prudential at the resumption this week of the suit to compel the distribution of the $16,000,000 surplus among the stockholders instead of among the policyholders, former United States Senator John C. Spooner, speaking for the company's side of the controversy, insisted that the company acted within its powers in disposing of the surplus as it did, and that the action was necessary as a matter of equity. John R. Hardin, an associate counsel for the complainants, said during his argument:

The primary fund unquestionably belongs in gross to the insurance company, and there can be no question raised as to the ownership of the fund. The surplus belongs to the company as completely as the fund in gross, unless there is a contract right to share it. Insurance has been conducted for many years by companies organized either on the stock or mutual plan. The stock plan puts the ownership of the company in its stockholders, and under that plan all the gain of business belongs to the stockholders. The company belongs to the stockholders. In the organization of mutual companies there is no such guarantee. The right of the policyholders to vote, which they originally had, was taken away by legislation.

Mr. Hardin contended that the Legislature had established the reserve requirements, and the evidence in the case established the fact that these requirements were observed. Mr. Hardin continued:

In the actual experience of the Prudential insurance company for the last thirty-four years, the reserve requirement has been sufficient, and there was no call at any time on the surplus. It has been demonstrated from year to year that the surplus has been larger. There was no inroads on the surplus with the exception of the year 1909. The tendency of the day is against a large surplus, and the earnings should be distributed in the form of dividends to the stockholders. Any dividend that the company may earn, according to law, should be distrbuted among them, and any attempt to do otherwise would be to deny them of their right. One of the evils established by the Hughes insurance investigation in New York was the danger of a large surplus belonging to nobody. The directors of the company seem to have forgotten that the company is a stock company, and that the stockholders have clear and well defined rights in it. I don't think that public sentiment defines the rights of the stockholders to prevent profits, unlimited profits, if necessary on the stock plan. Stock companies are organized for profit and for the profit of the stockholders. We are making no attacks on the company. We want it to prosper as well as anybody else, but we claim that the stockholders are entitled to their profits.

The argument is still in progress as we go to press.

At the meeting of the executive committee of the **National Board of Fire Underwriters** for organization on Thursday, President William N. Kremer of the German-American was unanimously elected chairman of the executive committee. A. W. Damon, president of the National Board, announced the following standing committees for the ensuing year:

Finance—Harold Herrick, chairman, New York; H. M. Gratz, Philadelphia; George B. Edwards, New York; Morris L. Duncan, New York; C. L. Andrews, Detroit; J. Lynn Truscott, Camden, N. J.; H. A. Smith, Hartford.

Laws—M. O. Brown, chairman, New York; E. L. Ellison, Philadelphia; Henry W. Eaton, E. G. Snow, C. L. Case, New York; R. Dale Benson, Philadelphia; George A. Viehmann, New Brunswick, N. J.

Incendiarism and Arson—J. J. Guile, chairman, New York; D. J. Burtis, New York; F. R. Bigelow, St. Paul; Samuel G. Howe, Providence, R. I.; Wm. Chubb, Philadelphia.

Statistics and Origin of Fires—Clarence E. Porter, chairman, Philadelphia; Charles H. Post, L. P. Bayard, New York; W. H. Stevens, Watertown, N. Y.; J. Henry Scattergood, Philadelphia.

Fire Prevention—George W. Hoyt, chairman, New York; W. N. Kremer, E. H. A. Correa, A. H. Wray, C. F. Shallcross, U. C. Crosby, New York; R. M. Bissell, Hartford; Edw. Milligan, Hartford; J. A. Kelsey, New York.

Lighting, Heating and Patents—U. C. Crosby, chairman, New York; H. F. Atwood, Rochester, N. Y.; Geo. C. Howe, New York; F. M. Griswold, New York; Frederick C. Moore, Hartford; F. D. P. Balch, New York; J. F. Hastings, New York.

Construction of Buildings—C. G. Smith, chairman, New York; Geo. R. Crawford, New York; A. G. McIlwaine, Jr., Hartford; B. R. Stillman, Hartford; N. S. Bartow, New York; E. T. Cairns, New York; J. H. Burger, New York.

Adjustments—Frank Lock, chairman, New York; J. H. Brewster, Hartford; John W. Alling, New Haven; W. B. Meikle, Toronto; Lyman Candee, New York; Major A. White, New York; E. J. Booth, Detroit.

Clauses and Forms—C. J. Holman, chairman, New York; F. C. Buswell, New York; T. A. Ralston, New York; E. E. Pearce, New York; R. H. McKelvey, New York; D. Dallas Hare, Pittsburgh; Wm. H. Palmer, Richmond, Va.

Membership—Alfred E. Duncan, chairman, Philadelphia; Joseph McCord, New York; E. E. Cole, Pittsburgh; E. T. Campbell, St. Louis; W. L. Jones, Milwaukee.

The resignation of Ransom B. Fuller from the executive committee was accepted, and E. Winchester, vice president of the Old Colony insurance company of Boston, was elected a member for three years.

The New York Life announces that commencing July 1 it will issue a **new policy contract** containing important changes

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from policies now in use. Among the most noteworthy features is one under which the company will waive payment of premiums thereafter coming due if the assured before attaining age sixty, and after paying at least one full premium and before default in the payment of any subsequent premium, shall become wholly and permanently disabled by bodily injury or by disease so that he is and will be permanently prevented from performing any work for compensation or profit, or from following any gainful occupation. Premiums so waived shall not be deducted from the sum payable under the policy, and all values shall remain the same. At any time before age sixty the assured may without medical examination change the policy to any other plan issued by the company having a higher rate of premium. Heretofore reinstatement was possible only for three years after default of premium. In the new contract no limit as to time is placed upon the assured in this respect. Cash loans and benefits on surrender or lapse are provided after the payment of two premiums instead of three as previously, the values on an ordinary life policy, age thirty-five, at the end of the second year being: cash or loan, $13; paid up insurance, $29; extended insurance, one year and five months. Whenever the net loan value of the policy shall be sufficient to pay one full annual premium with 5 per cent. interest, the company, before the expiration of the period of grace, will accept a premium lien note in lieu of cash, the assured not being required to deposit the policy with the company.

Half a million dollars per night is the **value** placed by Harry G. Gaus, of St. Louis, **on jail occupancy,** according to the complaint just served on Henry C. Henley and forty-seven fire insurance companies. Mr. Henley is head of the St. Louis Fire Prevention Association, which caused the arrest of Mr. Gaus four weeks after the Gaus box factory fire. Mr. Gaus was one night in jail, but was released after a preliminary hearing, during which it was not established that he was connected with the plugging of the sprinkler standpipes previous to the fire. The companies declined payment of their policies after discovering the interference with the standpipes, but have lost three suits at Troy, Mo. These are to be carried to the higher courts. The companies named as co-defendants in the damage suits, which ask for $250,000 damages and an equal amount for punitive damages, are: Hartford, Phœnix of Hartford, Connecticut, Ætna, National of Pittsburgh, Jefferson, German of Pittsburgh, National Union, Teutonia of Allegheny, County Fire, Humboldt, City of New York, Niagara, Fidelity, Phenix of Brooklyn, Hanover, Cosmopolitan, Agricultural, Westchester, Germania, Newark, Millers' National, Metropolitan Fire, Calumet, German of Peoria, Old Colony, Boston, Springfield Fire and Marine, Michigan Commercial, Michigan Millers, Shawnee, Milwaukee Fire, Milwaukee Mechanics, Concordia, Dixie, Providence-Washington, Citizens' of Missouri, Prussian National, Aachen and Munich, Phœnix of London, Norwich Union, London and Lancashire, Atlas of London, Commercial Union and North British and Mercantile.

The *Technical World Magazine* imparts some **information regarding** the use of **concrete** as an absolutely fireproof building material which is interesting. The magazine says:

We bank on the much advertised statement that concrete is absolutely fireproof. But a moment's thought will show anyone that it cannot be, for it is known to contain in its crystalline construction a certain necessary quantity of water, which, when subjected to sufficient heat, must turn to steam and explode just as the water in salt crystals snaps and cracks when they are thrown on a hot fire. After reaching about 600 degrees Fahrenheit, concrete surfaces begin to lose this water and to crumble, and it would seem only common sense to provide against this by imbedding the reinforcing rods something more than the customary scant inch, so that in a prolonged conflagration they would not become exposed and warp and bulge, thus destroying the whole structure. Either this or arrange building laws, fire regulations, taxes and penalties in such a way that a fine group of concrete buildings would not have to stand and be roasted to a white heat by the burning of a surrounding mass of wooden shacks. Granite of the everlasting hills is fireproof also, but it would never stand that, and it seems a trifle egotistical to expect a homemade substance of our own to stand it, however well advertised it may be. In the case of concrete sewers we seem to be quite as unreasonable and quite as disappointed. For since all sewers must reek with acids, and since these acids are known to have a marked effect on lime, and since, further, cement contains a large per cent. of lime, it should not require more than a Shakespearean imagination to foresee what would happen to an acid bearing concrete sewer. Little imagination is expended, however, in this line, and little science in proportion to the money spent. The specifications and building regulations are more often copied from one city to another, mistakes and all, without much study or investigation.

The situation in **Texas** has been made more perplexing by the action of the State Rating Board this week in ordering much greater **reductions in fire insurance rates** than the most sanguine had anticipated. After hearing evidence on both sides for nearly a week, the board decided that the companies had promulgated rates that were altogether too high, and directed that on mercantile business, concerning which the greatest complaint had been heard, a 25 per cent. reduction shall be made, and that on special hazards a reduction of 15 per cent. shall be made, and that the maximum rate on brick dwellings shall be changed from 66 cents to 50 cents, which rate includes contents. The charge for additional ground floor occupants of a brick dwelling is changed from 15 cents to 5 cents. The reduced rates become effective July 5, by which time the companies must file the amended rates. Just what effect this will have on the situation in Texas is hard to guess. The Governor has called a special session of the Legislature for July 19 to put the board out of business, but by that time popular approval of the present rate reduction may result in its continuance. It is regarded as certain that the Governor will nominate a successor to Insurance Commissioner Hawkins, though it is thought a two-thirds approval of the nomination may be difficult to secure.

The *Underwriters' Report*, of San Francisco, has a biographical sketch of Edgar C. Cooper, the **new Insurance Comsioner of California,** who is a native of that State, where he was born forty-two years ago. He is a lawyer by profession and was private secretary to Governor Gillette until he received his present appointment. Of the personal characteristics of Commissioner Cooper our contemporary says:

Slight of stature and with a youthful face, Commissioner Cooper does not look his age by at least ten years. His cleanly shaven face is that of a student and thinker, but the sharp set jaw and bright eyes indicate determination and courage. On top of it all is a head of close cropped hair of the shade politely referred to as "auburn." To the suggestion that he looked like a fighting man, Mr. Cooper replied that he was for peace at all times. He said that he had learned that he could generally attain the object sought without strife and preferred to live in quiet. Mr. Cooper also stated that it was his purpose to conduct his office with the sole idea to expedite its important functions. He declared that he would welcome assistance from the insurance interests to make the department of the greatest possible service to persons dealing with it. He realized that possibly he could not please everybody, but wanted it understood that he stood ready and willing to give every assistance possible.

The **report of** William Hepburn Russell and Charles E. Rushmore, **receivers for the Mutual Reserve Life,** was filed this week in United States Circuit Court. It shows that the assets now in the receivers' hands amount to $647,445.26. Among them are cash in banks, $342,685.57; bonds and mortgages (par value), $234,000; New York city corporate stock (par value), $8,300; real estate (book value), $34,559.69; accounts receivable, $2,900, and 250 shares of the Owl Commercial Company preferred stock, $25.000. In addition to these items there remains $9,954.35 from what is known as the

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"special premium account." This account, on which the receivers have received a total of $226,648.46 up to June 15, 1910, is made up of premiums paid by policyholders since the beginning of the receivership. Practically all the assets are worth their par value, the receivers say. Among the receipts are these items: Rents on the Mutual Reserve Building, $67,217.16; realization on assets, $229,218.08; bond and mortgage interest, $33,026.49; real estate, $83,200; mortgage redeemed, $174,300; sale of Third Avenue Railroad bonds, $16,212.75. It is expected the receivers will finish their work some time this fall.

The monthly **"mustard"** handed out by General Agent Robert J. Mix of the Prudential agency at 20 Vesey street to his agents July 1 contained the following paragraph, which is **good for all life solicitors** to ponder over:

If you're going to make a living out of life insurance, you've got to hustle for it, and hustle hard! People aren't going to ask you to write their applications in these days any more than they have done in the past. The time is never coming when it won't be hard work to sell life insurance, but that's the vocation that we've chosen, and it's a splendid vocation at that! There isn't a man under contract with me who can't make a good living at it, and build up a good renewal interest besides, but he isn't going to do it by sitting around the office swapping insurance yarns, telling hard luck stories, and grumbling about a condition of affairs which he can't alter. The difficulties are here all right, and we'll admit that, but you and I are men—we're supposed to have powers which have been given us for the purpose of overcoming obstacles, and I say frankly to you that it's a shame that we don't exercise these powers every day—constantly. Let's quit this hard luck talk and get busy on the job.

While it was anticipated that Governor Hughes would sign the bill removing, with restrictions, the limit from the **amount of business life companies may transact** annually, there was nevertheless rejoicing when it was known that his signature had actually been appended. President Darwin P. Kingsley of the New York Life gave out this statement:

In attaching his signature to the bill Governor Hughes acted wisely. Section 96 as it stood could not be defended even by those who would limit men's legitimate activities. The law discriminated frankly in favor of companies of other States, and with equal certainty in favor of one company in this State. These conditions are eliminated by the amendments, and while the principle of limiting output—after fixing cost—is still retained, the limitations apply impartially to all except industrial business. The new law does not eliminate any provisions which aim at safety or equity, or economy, or publicity. The State simply relaxes her strangle hold on the throat of this company, and applies a lighter grip to the throats of all companies alike. I hope and believe that a reasonable and healthful growth will be possible under the law as it now stands.

It has been learned that the failure of the **sprinkler equipment** to hold the fire in the plant of the Union Furniture Company at Rockford, Ill., was due to a break in the underground supply pipe, reducing the pressure so much that no water could reach the top floor where the fire started. The report of the Western Factory Insurance Association on the loss says:

It has been found that, in violation of the sprinkler rules, the underground line was put in with wrought iron pipe and weak fittings, and that the main riser was not provided with a foundation, as required by rules. As a result one of the main fittings had split, not enough to wholly prevent the equipment from operating, but enough to wholly prevent the pumped water from rising under effective pressure to the top of the building, where the fire was burning. It is well known that cheap and inferior equipment work is particularly apt to be found in Rockford equipments.

Many chambers of commerce, boards of trade and stock exchanges maintain **assessment life insurance departments** as an adjunct, on the ground that it tends to hold the membership together during times of business depression. Many have found the insurance burdens excessive, however, if the large number of old members is not offset by large accessions of new ones. The insurance department of the Chamber of Commerce of Cincinnati went into the hands of a receiver in 1904, having eighteen unpaid death claims for about $30,000. The creditors sued, and the Ohio Supreme Court has just decided that the members of the mutual department must pay their proportion of the assessments to meet these claims.

A prominent **broker comments** thus on the action of the fire insurance companies in promoting **the new union:** "The companies have taken from us a portion of the basis on which we built up our business, exactly as would be the case with industries should the United States tear down its protective tariff wall. But there is a remedy; a new company will be formed just as quickly as the papers can be put through. This company will be ample to take care of the best of the business of the 8,000 or so brokers affected. We did not ask the company presidents if they were planning to further reduce expenses by lopping off a percentage of their own salaries. That is what they have done to us."

Numerous **interinsurance concerns,** including the Lumbermen and Manufacturers' Interinsurance Association of New York, the Lumbermen's Underwriters' Alliance of Kansas City, the Manufacturing Lumbermen's Association of Kansas City and the Cotton Interinsurance Association of New York, have been **made defendants** in suits brought by State Revenue Agent Adams of Mississippi to recover back taxes amounting to about $60,000. The associations have ignored the demands of the revenue agent for statements, and are to fight the matter in the courts. Mr. Adams holds that the interinsurance companies are liable to taxation the same as regular companies.

The new officers of the **Central States Life,** now forming at St. Louis, are as follows: Howard C. Boone, president; W. D. Vandiver, vice president and treasurer; Arthur J. Sears, vice president; E. R. Denham, secretary; C. Porter Johnson, counsel. J. E. Lyntzenich and Richard J. Lee were elected as directors in the place of W. H. Douglas and J. B. Elliot. It is expected that a license will be asked for in about two months. Stock sales aggregating four-fifths of the issue were reported, there being about 121,200 stockholders.

The threatened trouble between the American Life Convention and the Insurance Exchange has been averted by the action of the executive committee of the **American Life Convention** in organizing a **medical section.** The Exchange had refused to admit some of the new and smaller companies, and at a meeting in St. Louis reception of any new members was blocked by the action of some of the members in refusing to vote, thus breaking the quorum. The new section includes 80 per cent. of the membership of the convention.

A conference between Insurance Commissioners Folk of Tennessee, Lemert of Ohio and Young of North Carolina is now on at Nashville, Tenn., at which the **amendments to the** proposed **fraternals bill** will be phrased. The commissioners may decide to give the fraternals more than six years in which to readjust their business. The bill, when formulated, will be submitted to the National Fraternal Congress at Detroit August 15 and to the Associated Fraternities of America at Atlantic City August 22.

"What is life insurance?" asks the Midland Mutual Life in its publication, *Builder*, and then answers:

It is a business for making uncertainties certain; it capitalizes individual ability and guarantees continuity of plan by protecting investments and

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earning capacity; it stands alone as a specialist in making provision for the distant future; it teaches the virtue of thrift and economy, the duty of saving up for a "rainy day"; it strengthens credit and protects enterprise; it is a dependable asset of ever increasing value; it is the sure, solid foundation for the young man's air castle; life insurance is a fortune, bought and paid for on easy instalments.

It is reported that **local agents in the South** are agitating for the abrogation of the 15 per cent. commission pledge. They are said to be **dissastified** with the refusal of the South Eastern Underwriters' Association and the companies to consider their request for an increase in the present scale or a contingent commission plan. They look upon their movement as a sort of second Declaration of Independence, and want to signalize it by making July 4 the date of their announcement.

The **San Francisco Life insurance company** has filed articles of incorporation. The capital stock is to be $250,000, of which $150,000 is already paid in. The officers are: President, Gen. John A. Koster; vice president, W. S. Miller; second vice president, Francis B. Keesling; secretary, W. L. Growall; treasurer, Byron Mauzy; general counsel, Curtis Hillyer; medical director, M. O. Austin, M. D.; general manager, A. F. Macfarland; superintendent of agencies, H. N. Beard.

The election of **Mr. W. E. Mallalieu** to be general agent for the National Board of Fire Underwriters was announced after the meeting of the executive committee of the Board Thursday, and gives general satisfaction to the membership and the insurance community in general. It is in the nature of a reward for meritorious service, during which he has acquired a training that will be invaluable to his work in the new position. He will succeed the late H. K. Miller.

The **Lumber Underwriters of New York** does not agree with Insurance Commissioner Reau E. Folk of Tennessee, who asked the return of its certificate of authority to do business in that State. Through D. A. Fisher, its Tennessee representative, the company notified Mr. Folk that any move by himself or his deputies to interfere with the company would be met with proceedings for contempt of an injunction obtained some time ago and not yet determined.

Another argument in favor of uniformity is found in the experience of the **Merchants and Manufacturers Fire of Atlanta,** which is organizing and would like to sell some stock in Alabama. The Alabama ruling is that no company shall offer stock for sale there until it has been licensed in its home State. The Georgia ruling is that no company can obtain a license until all its stock is sold. Consequently, no stock of this new company will be sold in Alabama.

The **profits of specializing** on corporation insurance is illustrated by the experience of William H. Horner, Minnesota general agent for the Provident Life and Trust, who has written $1,600,000 in that kind of insurance recently. The largest policy was of $500,000, on the life of Harry S. Helm, vice president and manager of the Russell-Miller Milling Company of Minneapolis, and there were others for $250,000 and $100,000 each.

A line of use and occupancy insurance is being placed for Sears, Roebuck & Co. by Eliel & Loeb, of Chicago, which aggregates $5,000,000. This is $1,000,000 more than last year, and is said to be the **largest line in the world.** It is being distributed among twenty-five companies. It guarantees the company $16,666.66 per day in case of total loss at their factories, with partial loss covered pro rata. The rate is 13.6 cents.

The **Ladies of the Modern Maccabees** have taken steps to **reorganize** their **rates,** this having been advocated by Mrs. Francis E. Byrnes, who was elected great commander at the last annual meeting at Kalamazoo. Old members are re-rated, those who do not care to accept the new rates being offered various equivalents in the way of term insurance, extensions, etc. Adequate rates are named for new members.

The **aid of the insurance companies will be invoked** by Prof. Harry Thurston Peck, of Columbia University, to ascertain how many years he is "good for" as the basis of a suit for salary in case he is put out of the faculty on account of the divorce suit now pending against him. Mr. Peck declines to accept an invitation to resign while under fire, and will not peaceably submit to summary deposition.

A **new helmet** was tried out in actual service at a Newark fire this week with great success. Inside the hood oxygen is formed by water dropping on cubes of chemicals, and the respirated air is exhaled through a rubber tube held in the fireman's mouth. A small horn, operated by hand, much the same as an auto horn, is part of the equipment of the helmet for a signal in time of trouble.

Fire insurance companies are arguing with each other over the **rate for the Philadelphia Rapid Transit line,** just offered after years of carrying its own insurance. The 40 cent rate suggested is objected to, some feeling that 60 cents is more adequate. The transit company insists on the 40 cent rate, declaring it will continue its insurance fund or protect itself otherwise if it is not granted.

Practically all of the replies to the letter sent out by the joint committee of **Union and Bureau companies at Chicago** relative to the reduction of expenses have been favorable to the proposed conference, and it is expected a meeting will be held before the close of July. It is understood graded commissions to country agents are not included in the contemplated reduction.

On account of the retirement of Major John O'Dowd, who organized the farm department of the **Insurance Company of Illinois,** the company has **reinsured** all **its farm business** with the American of Newark, and will devote its attention to mercantile and dwelling business. This places the American far in the lead so far as farm business in Illinois is concerned.

The annual meeting of the **Illinois Field Club** was held at Delavan Lake, Wis., June 28 and 29. The important subjects discussed were those relating to co-operation with the Illinois State Board and the application of the relief rule by the governing committee of the Western Union. M. A. Scholbe, Illinois State agent of the Germania, was elected president.

Charleston, W. Va., is equipped with a high class **fire fighting service,** according to the report of the State engineers,

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but is handicapped by a water supply which is in danger of entire failure in case of accident to its single main, leaving the city with only a six hours' reservoir supply available. Improvements to the supply service are contemplated.

The **Kansas City Life** has won out in the case brought by the widow of "Artie" Thompson, who was shown to have visited a neighbor carrying a big revolver and intending to harm the neighbor, being himself killed in the melee which followed. The jury returned a verdict in favor of the company, in which Thompson carried a $2,500 policy.

The **Commercial Life and Casualty of Savannah** has been chartered and officers have been chosen as follows. President, Major W. W. Williamson; vice president, M. A. O'Byrne; second vice president, W. W. Mackall; third vice president, George T. Hodgson; treasurer, A. B. Hull. Mr. Hodgson will have charge of the field operations.

The **decision** of the court **in the Newport News criminal proceedings** against twenty-four members of the South Eastern Underwriters' Association was announced this week. It imposes fines of $500 each. The fines were not paid, but the cases were appealed and will be heard in the Superior Court in September.

The **jury** in the case of Willard H. Peck, of Syracuse, formerly secretary of the People's Mutual Life Insurance Association and League, who was charged with perjury in connection with a report to the State Insurance Department, **reported a disagreement** and the jurors were discharged.

The **New York Suburban Fire Insurance Exchange** has appointed James Marshall, of W. S. Brown & Co.; Frederick Ackerman, of the National Union Fire, and George W. Comstock, of Wood Brothers & Comstock, to be a sub-committee of the executive committee, with relation to electricity.

The **Amusement Indemnity Exchange** started business at St. Louis July 1, being an association of amusement park owners for the purpose of interinsuring their places of amusement against loss by fire. Companies generally write these risks only at high rates and after careful inspection.

The **annual report** of Insurance Commissioner Barnes **of Kansas,** due July 1, is delayed through the inability of the State printing department to handle the work in time. The report will be of great interest, owing to the new law under which companies are operating in that State.

The **Ætna Life** is distributing illustrated booklets containing information as to the proper care and operation of elevators, with a view to lessening the number of elevator accidents through education. The book declares that the majority of elevator accidents can be prevented.

The **American Druggists Fire** of Cincinnati has filed its papers with the California department, and expects to be licensed in that State soon. It has a capital of $200,000, net surplus of $50,375, and admitted assets of $277,501. It insures only drug stores.

The firm of Starkweather & Shepley has been appointed to represent the **National Fire of Paris,** which has decided to deposit its bonds with the Rhode Island department, naming the Rhode Island Hospital Trust Company of Providence as trustee.

The **Houston, Tex., fire hazard** is largely increased by a lack of water sufficient to cope with a fire of long duration, according to the report of the National Board engineers. The fire department and fire alarm system also come in for criticism.

The fire insurance **mutuals** recently **paid a loss** on a new building of the Detroit Valve and Fittings Company at Wyandotte, Mich., the plant being new and unoccupied, and no work on the equipment having been begun or any material delivered.

The latest bulletin issued by State Fire Marshal Ellison of **West Virginia** says the present rate of **fire loss** in that State is $3 per capita for every man, woman and child in the State. He urges the prompt adoption of more effective building codes.

Having been convicted of taking about $11,000 belonging to the Sun Insurance Office of London, **Charles T. Estabrook,** of Buffalo, was on Saturday sentenced to Auburn State prison for not less than two nor more than four years.

Two things a fire insurance agent cannot get along without are **companies and profits.** The better the companies the greater his profits—and that doesn't always mean the bigger his initial commissions by several per centum.

The **Plate Glass Underwriters' Association** is awaiting the plan now in process of formulation by a committee of three relative to handling the situation created by the activity of outside companies in the business.

A feature of the coming summer session of the University of Michigan will be **two lectures** before the classes in actuarial and statistical theory **by Franklin P. Mead,** actuary and secretary of the Michigan State Life.

The Pennsylvania Insurance Department has refused to license the **International Fire,** organized at Philadelphia after a stock selling campaign, and the company has applied for a charter in Delaware.

Detroit is leading in the number of new **sprinkler installations** in the West, and from the large values involved it is evident that the companies will soon experience an appreciable reduction of income.

The **Underwriters' Association of New York State** has elected W. H. Taylor, special agent of the Royal Exchange, to be a member of the executive committee in place of C. T. Estabrook.

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The **National insurance company of Sherman, Tex.,** is to attempt the life insurance business. It is now in process of organization, the capital and surplus to be $100,000 each.

Late frosts in the West having caused a short crop of vegetables, careful inspections of **canning factory** lines are being made to ascertain if any **moral hazard** is likely to develop.

The **resignation of Walter W. Conklin,** Wisconsin State agent for the Queen, was effective July 1. Mr. Conklin will re-enter local agency work with Hackett & Hoff.

The **Liquor Dealers Legal Reserve Life** is the name of a new company at Danville, Ill., which will sell stock and insurance policies to liquor dealers only.

Inasmuch as Judge Weir, who sat in the **Indiana anti-trust cases,** is to sail for Europe on July 3, it is anticipated that an **early decision** will be handed down.

The **La Salle Life** of Chicago has bought the Corn Belt Life, and Insurance Superintendent Potter has started suit to annul the charter of the latter.

The Chicago firm of Adolph Loeb & Sons has decided **to resign all agency connections** and confine itself entirely to brokerage activities.

Local fire insurance agents at Portland, Ore., protested strongly against the **reduction in commissions** which took effect there July 1.

The **Atlas of London** has re-entered Arkansas, appointing Arnold, Raines & Co. as general agents, with headquarters at Little Rock.

The combination fire and tornado **rate** of $2.25 for five years offered by the Phœnix of London is **being protested.**

The **Hartford Fire** insurance company was one hundred years old on June 26.

The **Massachusetts Fire and Marine** has been admitted to New Jersey.

The **Inter-State Fire of Birmingham, Ala.,** is organizing.

Canada **wants standard** form fire insurance **policies.**

Personal.

Agency Appointments.

Equitable: Lawrence C. Hull, agency manager at Detroit.

Fidelity-Phenix: W. P. Clements, special agent for Texas.

Fidelity-Phenix: Carl Rubbert and W. M. Wakefield, Jr., assistant special agents.

German-American: J. D. Tally, special agent for western Pennsylvania.

Lumber insurance company: Adam Archibald & Co., agents at Boston.

Massachusetts Fire and Marine: John J. Downey, home office general agent.

National Surety: Arthur W. Rankin, now manager for New Jersey, to be Southwestern manager, with headquarters at St. Louis.

North American Life of Newark: George Brenecke, general agent for Ohio.

Rochester German: Gordon & Hoadley, Pacific Coast managers, including California, Oregon, Washington, Montana, Idaho and Utah.

Security Mutual Life of Binghamton: O. M. Crosby, manager of the Pittsburgh office.

Standard Fire of Hartford: E. C. Price, special agent for Pennsylvania.

State insurance company of Nebraska: E. E. Hall, general agent for New York, outside the Metropolitan district.

Teutonia: A. C. Meeker, special agent in Illinois, assisting U. S. Collins.

Westchester Fire: E. R. Booker, special agent for Virginia, North Carolina and South Carolina.

Mr. H. G. Whitney, superintendent of the liability insurance department of the People's Surety, has resigned to take charge of the new liability insurance department of the United States Fidelity and Guaranty Company. Mr. Thomas H. Cunningham, formerly a liability underwriter with the Philadelphia Casualty, has been appointed to the place vacated by Mr. Whitney.

Mr. Charles Mason Beach died June 27 at his home at West Hartford, aged eighty-four years. Mr. Beach was the oldest director of the Phœnix insurance company of Hartford, and was also one of the oldest directors of the Hartford Steam Boiler Inspection and insurance company. He was a director of the Connecticut Mutual Life insurance company since 1879.

Mr. C. M. Crandall, special agent for the State insurance company of Nebraska, has been appointed State agent for the companies in the O. C. Kemp general agency in Nebraska and North and South Dakota. I. M. Hirsch, who has had the Dakotas, will continue as State agent for Minnesota. The changes take effect July 1.

Mr. T. Howard Lewis, manager for eastern Massachusetts of the Mutual Life insurance company of New York, completes on July 1 twenty-five years of continuous service with that company. Starting in the home office as an office boy on July 1, 1885, at the age of fifteen years, his entire business life has been spent in the service of the Mutual Life.

Mr. Lucius McAdam, actuary of the United States Annuity and Life, having been president of the American Institute of Actuaries during its first year, now becomes under its constitution the first life member of the board of governors of the institute.

Mr. W. C. Calkins, until recently general manager of the Columbia Life insurance company, will head a new department, to be created by the Equitable among its Western agencies. Mr. Calkins was at one time city auditor at Cincinnati.

Insurance Commissioner Fitzhugh McMaster, of South Carolina, is to address the next meeting of the National Convention of Insurance Commissioners on "Uniformity in Department Rulings, and How to Attain It."

Mr. Frank Alexander Thompson, for forty years with the Phœnix Mutual Life insurance company, died June 28 at Hartford. Mr. Thompson had been secretary of the Connecticut Life Underwriters' Association.

Mr. Arthur Earle, assistant secretary and actuary of the Columbian National Life, has resigned to become secretary and actuary of the Travelers Life Assurance Company of Montreal, recently organized.

Mr. Richard G. Oellers, a prominent Philadelphia insurance man, and secretary and treasurer of the American Union Fire insurance company, dropped dead at Atlantic City June 20.

Mr. Sumner N. Cross, secretary of the Columbia Life insurance company, was this week elected to be vice president and general manager, succeeding W. C. Calkins, recently resigned.

Mr. W. R. Strong, home office secretary of the London Guarantee and Accident Company, who has been making a tour of the United States, sailed for home from Montreal Saturday.

Mr. John F. Roche has resigned as actuary of the International Life of St. Louis to engage in wholly independent consulting work. He has recently established offices in New York.

The John L. Dudley, Jr., Company, which makes a specialty of surplus line insurance, is about to open a London office for the more convenient handling of its business.

Mr. F. E. MacKnight has resigned as chief inspector for the Southeastern Underwriters' Association, to take a position in the special hazard department of the Continental.

Mr. Manford W. McMillen has resigned as resident manager at Milwaukee for the Wisconsin National Life of Oshkosh, and is now with the Prudential.

Mr. A. W. Haight has resigned as Eastern agent for the Calumet Fire of Chicago, and will resume the insurance business at his home in Syracuse.

Mr. Charles Philip Armstrong, a director of the New Amsterdam Casualty Company, died June 27 at Greenwich, Conn.

Mr. A. C. Lee, a well known adjuster, with headquarters at Jackson, Miss., died suddenly June 26 at Meridian, Miss.

Mr. F. O'L. Buck, State agent of the Liverpool and London and Globe for Colorado and New Mexico, died June 18.

President George F. Seward, of the Fidelity and Casualty, contemplates a trip to Europe the latter part of July.

Mr. D. P. Haggerty, fire marshal of Louisiana, died last week after an illness with heart disease.

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Casualty and Surety Insurance.

New national banks recently organized are:The National Exchange Bank of Washington, D. C., capital $300,000; the National Bank of North Hudson, at West Hoboken, N. J., capital $100,000; Stock Yards National Bank of South Omaha, Neb., capital $750,000; the First National Bank of Roulette, Pa., capital $25,000; the First National Bank of Terra Bella, Cal., capital $25,000; First National Bank of Weed, Cal., capital $25,000; First National Bank of Lake Erie, Pa., capital $50,000; First National Bank of Jayton, Tex., capital $50,000; Central Texas National Bank of Waco, Tex., capital $300,000; First National Bank of Dermopolis, Ala., capital $50,000; First National Bank of Lajara, Col., capital $25,000; First National Bank of Leigh, Neb., capital $50,000; People's National Bank of Blairstown, N. J., capital $50,000, and the First National Bank of Altamont, N. Y., capital $25,000. Certificates of authority to do business have been issued to the First National Bank of Croswell, Mich., capital $25,000; the First National Bank of Laurel, Neb., capital $40,000; the Burns National Bank of Durango, Col., capital $100,000; the Dexter Horton National Bank of Seattle, Wash., capital $1,000,000, and the Turbotville National Bank, Turbotville, Pa., capital $25,000, to begin business.

If you are a merchant, broker, ordinary employer, clerk, stenographer or traveling man, and are between the ages of eighteen and fifty, you can, says *Collier's* for July 2, by paying $3.50 a month, buy a policy that calls for a payment of $100 a month in case of accident or sickness. Such is the offer of one of a number of companies that are pushing the **income insurance** idea. It is a plan that must appeal very strongly in special cases; suppose an investor is paying for property—houses, bonds, or what not—in instalments out of his income, wouldn't it be worth something to his peace of mind to know that such a policy could be had at a reasonable charge? Another form of new and popular life insurance is "business insurance." This, say the companies, does for the corporation or business partnership what ordinary life insurance does for the family—it repairs the loss that results from the death of an officer or member or partner who contributes skill or experience or capital to the organization. Endowment or "straight life" policies are sold for this purpose, and the buyer is urged to carry the policy on his books as an asset for an amount equal to the cash surrender value of the policy.

The **Ætna Life** has sent notice to its accident and liability agents of the **changes** in its New York offices. Charles H. Phelan, who has been with the company since the liability department was started, has been appointed New York branch manager of the accident and liability department, and also of the Ætna Accident and Liability Company. In directing the work of the various departments Mr. Phelan will be assisted by Arthur M. Murray, for many years connected with the liability underwriting department, and who is well known to all the brokers who have transacted liability business with the Ætna, who has been appointed superintendent of the liability department; James Tracy Hill, who has had many years' experience in the accident and health field in New York, and who has been appointed superintendent of the accident and health department, and John N. Thurlow, who has been superintendent of the burglary, plate glass and flywheel departments of the Ætna Accident and Liability Company, and who will continue to act in that capacity.

Now that Congress has failed to pass the Stevens bill, making railroads liable for what they receipt for, the surety companies know on what basis they must figure if the **proposition to guarantee cotton bills of lading** by means of surety bonds is to be the plan adopted for financing the 1910 cotton crop. Foreign bankers have stated that they will not accept bills of lading not guaranteed. It is, therefore, up to somebody to in some way make these documents negotiable. The committee sent South by the surety companies and bankers has not yet reported, but a tentative rate of 25 cents per bale has been quoted. Cotton men have characterized this rate as entirely too high, mentioning 5 cents as a more equitable figure. Whether the chasm between these two extremes can be successfully bridged will depend largely on the surety companies after the investigating committee has reported.

The **Guarantee Company of North America has settled a claim** with Robert Lyon, receiver of the Allegheny National Bank, of Pittsburgh, by paying to the receiver $25,000. The Guarantee Company issued a blanket bond for the total of $55,000, $20,000 on William Montgomery and $15,000, $10,000 and two $5,000 bonds on men in the bank working with Montgomery. The losses aggregated $496,000. The receiver at first sued for $55,000, maintaining that the other men in the bank assisted Montgomery in his fraudulent transactions. The Guarantee Company of North America set forth that the loss was occasioned by William Montgomery alone. The majority of the board of directors of the bank accepted the offer of settlement, regarding it a fair and reasonable one.

The insurance bills introduced in the **Louisiana** Legislature this week aimed at the casualty insurance companies are summarized in another column under the head of **legislative news.** The bills are so drastic that they may fall by their own weight. Some of their provisions are already practiced by the reputable companies as a competitive policy, while others, such as the section requiring settlements every thirty days during disability, will handicap companies in the resistance of fraudulent claims.

The once popular **"trading stamp"** form of health, accident and industrial **insurance** is to be revived by the Traders Casualty and Indemnity Brokerage Company, just organized at Seattle, whose policies are to be underwritten by the American Casualty of Reading, Pa. The coupons will be distribted by merchants, and the casualty company will distribute benefits to incapacitated customers. Former enterprises of this character were abandoned after State insurance departments had intervened.

The **resignation of John H. Sell** as president of the People's Surety, announced Friday morning, was a distinct surprise to those in the surety business who had not been aware that Mr. Sell's health would immediately demand his retirement from active business. He will take a vacation of several months before returning to business life, and until the selection of his successor the affairs of the company will be in the hands of Vice President James M. Brown.

The **American Liability Company,** just organized at Cincinnati, has been licensed in Indiana and is ready to write accident and health insurance. The officers are: Harry K. Shockley, president; John Pittman, first vice president; Thomas P. Strack, second vice president and treasurer; Carroll Brookfield, secretary and general manager; William Littleford, general counsel.

The Superintendent of Insurance of the State of New York has presented President Lott of the United States Casualty

(*Continued on page 14.*)

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The Weekly Underwriter:

MONTHLY FIRE INSURANCE SUPPLEMENT.

NEW YORK, JULY 2, 1910.

THE TOBACCO INDUSTRY.

An Exposition of the Processes of Growing and Curing Tobacco—The Fire Hazards of Tobacco Warehouses and Drying Machines.

By I. G. Hoagland, with the Underwriters' Inspection Bureau, Norfolk, Va.

Underwriting considerations of the tobacco industry cannot well be limited to the question of fire hazard solely, there being so many diversified features, all of which have bearing on usual underwriting propositions.

To more than briefly outline the subject is not quite possible in a brief article, but the writer's endeavor is to cover comprehensively the following subject matter:

1. Classification and description of various domestic types of tobacco of commerce.
2. Methods of harvesting and curing.
3. Description of curing barns.
4. Marketing tobacco.
5. Rehandling and stemming.
6. Manufacturing tobacco.
7. Tobacco warehouses.
8. Tobacco drying machines.
9. Special and common hazards.
10. Miscellaneous considerations.

If at any point in this paper it is noted that the writer's point of view differs from current practice in certain matters it should be understood that this is a personal contribution and not officially sanctioned because of the writer's present position.

CLASSIFICATION.

Tobacco is classified according to purpose of use (class), general qualities of leaf (type), and degree of excellence of leaf (grade). To illustrate: cigar leaf (class), Sumatra wrapper leaf (type), dark good leaf (grade).

CIGAR TOBACCO.

For the complete cigar three distinct types of tobacco are necessary. Leaves of finest quality and texture are used for wrappers, those of inferior quality for binders, and the darker, stronger and heavier leaves for fillers.

Domestic wrapper tobacco is grown chiefly in northwestern Florida, southwestern Georgia and in the Connecticut River Valley; also to some extent in New York State, Pennsylvania and Wisconsin.

Filler leaves are especially grown in Pennsylvania and Ohio and in Florida.

Three varieties of wrapper leaf are now grown in the Connecticut Valley. For years the Broad and the Havana seed leaf were the only types. Recently the Department of Agriculture introduced the Sumatra leaf from Florida grown seed.

All cigar tobaccos are air cured.

MANUFACTURING TOBACCO.

So called manufacturing types are often confounded with export types, as both varieties are often grown in the same section and used for both purposes.

In general they are the mahogany, red, brown and other colored types of Virginia, Maryland, Ohio, the Carolinas, Tennessee, Kentucky and Missouri.

The light tobacco of Maryland is air cured and similar types in Ohio are cured with wood fires; mahogany types are flue cured generally, and also other types in this manner and by the sun.

This class of tobacco is used generally for fine cut pipe smoking and chewing and cigarettes, and for plug and twist wrappers and fillers.

YELLOW OR BRIGHT TOBACCO.

This type is grown mainly in the Piedmont region of Virginia and the Carolinas, and some in eastern Tennessee. It is being introduced into other States. This tobacco is grown in sandy, sterile soil, and cures a lemon yellow color. It is mild and sweet flavored, and is used for plug, wrappers and fillers, for cigarette, fine cut and low grades—lugs and cutters—for granulated pipe smoking.

All of this type is flue cured.

WHITE BARLEY TOBACCO.

Cultivation of this variety is confined to the "blue grass" region of Kentucky and Ohio. It has a mild flavor, low nicotine content and great absorbing capacity for flavoring sauces, which make it especially valuable for domestic sweet chewing plug. Light grades containing but little oil and gum are used for fine cut smoking and low grades—flyings and trash—for granulated smoking.

Curing is by air, except in cold, damp weather, when heat from open wood fires, stoves or lamps is used to prevent excessive atmospheric moisture in the curing barn.

EXPORT TOBACCO.

Types of this class, variously termed dark export, heavy shipping, etc., are grown in heavy, fertile soils, chiefly in western Kentucky and Tennessee, to a less extent in Virginia and North Carolina, and in other tobacco States.

Generally the leaf is large, fat, tough and elastic, and has a large content of nicotine and creosote, which is especially desired abroad. Curing is done altogether with open, slow burning, hardwood fires, the smoke having a preservative effect on the leaf and giving it a smoky flavor.

Of all tobacco exported Great Britain takes the most and best, paying the highest prices. The so called "Regic" countries, where the governments monopolizes the tobacco trade, take the inferior grades.

HARVESTING TOBACCO.

Though tobacco is a perennial plant, it has to be grown each year from seed. The seed is planted in a specially prepared seed bed, and when the plants have attained sufficient growth they are transplanted or "set out" in the field.

There are several methods of harvesting. The oldest and most general method is to cut the whole plant when there is an average condition of ripeness. This prevails in the Northern cigar leaf, manufacturing and export districts. A later and more desirable method is to "prime" (cut or strip) the leaves from the stalk as they ripen.

The period of harvesting varies with the section in which the tobacco is grown. In Florida "priming" the Sumatran leaf is continuous from June to September. The Cuban leaf is harvested both by cutting the whole plant and by cutting the stalk in sections; also by "priming." If plants are cut they are "speared" on poles or laths and hung in curing barns. If "primed," the leaves are gathered up in baskets and strung on poles in the barns.

Harvesting bright yellow tobacco begins late in July in the southern portion of the Piedmont section, and later farther north. The "priming" method has largely displaced that of cutting the plant.

White barley tobacco harvest begins in August. Stalks are first split down, then cut, the plants allowed to lay a while on the ground to wilt; then they are straddled over sticks supported on a scaffold in the field. In this way the plants are allowed to wilt a week or so before being hung in the curing barn.

Export tobacco is harvested early in September, quite in the same manner as is white barley.

CURING TOBACCO.

The object of curing tobacco is not more to dry out excess water in the leaf than it is to obtain a desired color, fix it and arrest the escape of juices. This is termed "killing the leaf." Curing processes vary with the kind of leaf and the use for which it is intended.

To properly develop the flavor and aroma in the leaf tobacco

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undergoes a period of fermentation after curing, which will be described later on.

There are two general ways of curing tobacco, one natural, the other artificial. Natural methods make use of air or sun and artificial methods the heat from closed or open fires.

Until 1828 wood fires were the only artificial means used in curing. About that time charcoal fires and flue heating began to be used, but not until 1865 did flue heating become universal.

Sun curing is done on scaffolds in the field; air curing is accomplished under cover in tight barns, specially designed nowadays.

Cigar tobaccos are air cured exclusively, except in Ohio and Wisconsin, where small stoves or lighted lamps are often used to dry the air in the barns in wet weather. In curing Connecticut Valley Sumatra leaf it is often necessary to do likewise, and small open fires of wood and charcoal are used. White barley is generally air cured exclusively, except in rare cases, when wood or charcoal fires are built in damp weather.

Two methods are in vogue of using artificial heat. The most notable examples are by building open fires of hardwood on or in the barn floor, as is the custom in the export tobacco country, and by radiation of heat from flues heated by furnace fires, as is the practice in the bright yellow tobacco districts. Curing of export tobacco takes about five days. Fires are built small at first and temperatures started at 90° Fahr. The fires are increased in size until a temperature of 150° Fahr. is attained. Well seasoned hardwood is generally used. Bright tobacco takes about four days. The barns, purposely small, are quickly filled after harvesting, and the firing begun. Temperature is started at 90° Fahr. and gradually raised to 180° Fahr., the maximum. Air curing of cigar leaf takes several months, and of white barley about six weeks.

TOBACCO CURING BARNS.

Curing barns are variously modified in construction and arrangement to fit methods in vogue in various sections. Thirty years ago most any sort of building was used. Not so is it today. Wood is the universal building material. Two general types of barn are in use, the framed barn and the log barn. The former is built of a wooden frame sheathed with wood, generally one story high, with gable roof, and some have basements. Areas are often large and the shape is generally rectangular. Inside is arranged a stout framework of timbers, which supports the poles or sticks of tobacco. Schemes for ventilation are numerous. The prevailing method is to hinge a number of sections of side walls to be opened and shut by hand. This type of curing barn is usual in the Connecticut Valley, eastern Pennsylvania and the Central States.

Framed barns in the export districts are tightly built without ventilating openings. They range from 26 to 48 feet square. Many barns are so built that the lowest tier pole upon which the sticks of tobacco are hung is 3 feet above ground. Holes for fires are then dug some 7 or 8 feet deep. This effects a better arrangement for the fires than that on a flat floor, where there are draught disturbances, and permits of better regulation of the fires. In barns with flat floors the lowest tier pole is 8 feet above the floor. Fires are built between two logs laid parallel a short distance apart. Fires have to be carefully tended lest they become general.

Log barns are essentially the pioneer type. Old style barns were merely cribs of logs roofed over. Early flue barns were built of round logs, the interstices daubed with mud. Today hewn logs are generally used. Sizes vary from 17 to 24 feet square, and additional capacity obtained by adding "lean-to" sheds, 12 to 15 feet wide, on one or more sides of the barn.

In that there are many modifications of flue barns, it will suffice in this paper to describe an ordinary and a patented barn, as used in the bright tobacco section.

Ordinary barns are generally built of hewn logs, with interstices "pointed up" with lime mortar or mud. An average size is 17 feet square and 17 feet high, with hipped roof. For supporting sticks or poles of tobacco a barn of this size would have four sets, or rooms, of tier poles, four high. The lowest would be 8 or 9 feet above grade.

Often several dozen of such barns are on a single plantation. The limited size is necessary for proper curing, and as the barns often burn the loss is small.

The heating equipment consists of two furnaces of brick arch construction—perhaps—built in one end of the barn. The flues from these extend to the opposite wall and return and pass through the furnace wall of the barn and vent outside.

In some old barns flues direct from furnaces are in the form of trenches dug in the floor and covered with sheet metal; return flues are of sheet metal pipe.

In modern barns flues are all of metal, and if a brick chimney is not used the flues are often joined together and vented through one smoke pipe.

A typical patented flue barn is the Snow barn. Many advantages of a technical nature are claimed for this barn; also that less fuel is required, and that there is less hazard from fire. An average size is 16x20 feet. Construction, timber frame, sheathed with wood outside and in; roof, hipped, shingle cover; height, two stories, first for furnaces and flues and second for hanging leaf. Furnaces and flues are arranged much the same as they are in ordinary barns. A slotted floor is built about 7 feet above the furnace floor. Above this are tiers of rectangular frames arranged to work up and down in grooves; these carry the sticks of tobacco.

A system of flue heating to control wet weather conditions in the Ohio and Wisconsin cigar leaf regions has been suggested to take the place of lamps and stoves. Barns in these sections are often very large, and it would be necessary to install a large number of furnaces; such an arrangement would be temporary, the idea being to remove the stoves and flues after curing.

The handling after curing varies widely in different growing sections. In Northern cigar leaf districts the first damp day after curing the tobacco is taken or "struck" down, piled in heaps and covered with cloths to keep the "order"—moisture the leaf absorbs from damp atmosphere—until time for stripping.

As stripped the leaf is assorted and graded, made up into bundles, or "hands," and packed into cases. This "casing" is done in wooden cases holding from 300 to 350 pounds of tobacco.

HAZARDS OF TOBACCO BARNS.

The first hazardous condition met with on the journey of the leaf from field to consumer is in the curing barn, or, as it is also termed, the farmer's barn, where artificial heat, intermittent or continuous, is used in curing.

Tobacco barns may be classified as follows, according to excellence as insurance risks:

1. (*a*) Air curing barns, no heat, no stripping; (*b*) air curing barns, no heat, with stripping.
2. (*a*) Air curing barns, intermittent heat, no stripping; (*b*) air curing barns, intermittent heat, with stripping.
3. (*a*) Heated curing barns, continuous heat from flues, no stripping; (*b*) heated curing barns, continuous heat from flues, with stripping.
4. (*a*) Heated curing barns, continuous heat from open fires, no stripping; (*b*) heated curing barns, continuous heat from open fires, with stripping.

The addition of stripping operations in a curing barn contributes much to the chances of fire. Stripping being done chiefly during cold weather, it is necessary to provide heat for the hands, and besides often defective installation of stoves stalks are carelessly thrown about even on the stoves. The stalks are rich in potassium nitrate, which causes them to burn readily; also to smoulder for a long time when once ignited.

Before curing, while the leaf is green and moist, it will not burn freely, but becomes increasingly combustible as curing progresses. After curing it is quite as inflammable as hay.

Aside from the fact of additional hazard, stripping room occupancy means that so much more of value is subject to one fire—"too many eggs in one basket" as it were. Some years ago a Connecticut barn in which stripping was done burned; loss several hundred thousand dollars.

Barns classed No. 1 are usual in the cigar leaf districts of Pennsylvania and Connecticut; stripping rooms, if any, are generally in the basement; stoves are used for heat, and gas, electricity or oil for lights.

Barns classed No. 2 are usual in the cigar leaf districts of the Central States, where intermittent heating is often necessary in wet weather. This is had from stoves, large and small; from lighted lamps, and sometimes from small open fires of wood and charcoal. The introduction of flue heating has been talked of.

The intermittent use of heat where such heat is more the exception than the rule is often marked by carelessness and indifference in properly arranging and safeguarding heating apparatus. In experimenting with Sumatra seed leaf in Connecticut the Government experts resorted to intermittent heating on bad days in their barns. It burned. Too much care cannot be exercised in establishing heating apparatus. It should be permanently established in conformity with the best practice, and not carelessly set up and dismantled after use, which is largely the custom.

Continuously heated flue barns, classed No. 3, are found in the bright yellow districts of North Carolina and Virginia. The patented barn is to be preferred to the ordinary barn. Furnaces and flues cannot be too carefully installed. The flues often get red hot, and should have ample clearance from walls and the hanging leaf. With well built furnaces and flues, and with flues

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venting into brick chimneys, these barns might be recognized as insurable property, but the average barn is quite impossible.

Another hazard in flue barns is in the practice of casting wet straw on the flues after curing to humidify the air so the leaf will soon be brought to good "order" for "striking."

Barns continuously heated by open fires, classed No: 4, are to be found in the dark export region of Kentucky and Tennessee. The best arrangement of fires is, of course, in pits dug in the floor, where there is no disturbance from draughts, as is the case when fires are built on flat floors, causing them to blaze up. Also the pit fires can be quite closely regulated. The fires are generally of hardwood, which burns slowly, with very little smoke.

The space between the bottom of the leaf and the fire is generally not more than 6 feet, and may be less. The fires need constant care, as when they blaze up the tobacco is set afire. Many cases have been recorded, especially about Hopkinsville, Ky., where barns and contents have totally burned because of carelessness in firing. This method is peculiarly necessary, and cannot be replaced by any other.

FIRE RECORD.

Of sixty-four barn fires recorded in five years (1897-1901) 34 per cent. were in open fired barns—one-half of these about Hopkinsville, Ky.—and 23 per cent. were in air barns in Connecticut, the balance scattering, but principally in Massachusetts, Wisconsin and Tennessee. The chief causes of the air barn fires were unsafe stoves and their flues in stripping rooms, incendiarism and lightning.

(To be continued in a subsequent issue.)

General Classification of Fire Losses in the United States, Amounting to $5,000 and Over, Reported in June.

Number of Fires.	Classification.	Reported Loss.
10	Sawmills	$523,000
4	Clothing factories	420,000
2	Tanneries	370,000
2	Iron foundries	325,000
8	Storage warehouses	301,000
2	School and college buildings	256,000
4	Lumber yards	252,500
1	Chemical works	225,000
19	Dwellings	180,500
3	Railway property	155,000
1	Cement factory	150,000
7	Hotels	144,000
1	Stove works	125,000
1	Basket factory	100,000
1	Department store	100,000
1	Fireworks store (wholesale)	100,000
1	Furniture factory	100,000
1	Sulphur factory	100,000
1	Wholesale grocery store	100,000
3	Meat packing plants	80,000
1	Fertilizer factory	75,000
4	Furniture stores	64,000
8	Stables	61,000
2	Bent wood factories	55,000
3	Garages	53,000
2	Amusement resorts	50,000
1	Implement factory	50,000
3	Mine buildings	50,000
1	Whiskey warehouse	50,000
3	Theatres and opera houses	48,000
7	Farm barns	46,000
1	Boarding house	45,000
1	Box factory	45,000
2	Textile mills	45,000
3	Grain elevators	42,000
2	Electric light and power plants	40,000
1	Fuel economizer works	40,000
1	Paint and varnish factory	40,000
1	Roofing materials factory	40,000
2	Distilleries	35,000
1	Church	30,000
3	General stores	27,500
2	Flour mills	26,000
1	Hardware warehouse	25,000
1	Ice factory	25,000
1	Junk yard	25,000
1	Glass factory	20,000
2	Planing mills	20,000
1	Undertaker's shop	18,000
1	Magnesia factory	17,000
1	Grain warehouse	15,000
1	Macaroni factory	15,000
1	Mattress factory	15,000
1	Oil refinery	15,000
2	Apartment houses and tenements	13,000
1	Brickyard	10,000
1	Cold storage plant	10,000
1	Cider mill	10,000
1	Illuminating gas plant	10,000
1	Laundry	10,000
1	Oil tank	10,000
1	Tobacco barn	10,000
1	Casket factory	7,500
1	Dry goods store	7,000
1	Oil and paint warehouse	5,000
1	Pattern works	5,000
1	Soap factory	5,000
1	Washboard factory	5,000
37	Spreading fires with omnibus loss	1,684,500
19	Brick mercantile risks, varied occupancy	743,500
4	Frame mercantile risks, varied occupancy	50,000
10	Brick manufacturing risks, varied occupancy	346,500
	Total	$8,298,000
	Add 15 per cent. for small and unreported fires	1,244,700
	Total	$9,542,700

Total number of fires reported, 224.

LINCRUSTA WALTON WALL PAPER.

A Brief Description of the Process of Its Manufacture.

The following information regarding the manufacture of "Lincrusta Walton" wall paper has been submitted by Mr. C. C. Dominge, insurance engineer, of New York city:

"Lincrusta Walton" wall paper is composed of the following ingredients; chalk, dye colors, oxidized linseed oil and wood flour. These are placed in a large mixing machine (similar to a meat chopping machine); a roll of manila paper (sometimes slightly oiled) is then placed in front of a large steam rollered colander. Before the paper starts to pass through the rollers the above composition is shoveled on the paper. The paper and composition passes under the rollers of colander, and then under another set of rollers containing a brass design. The paper then passes to a transportator (which is a roller of wood, felt and steel blunt pins). The object of this transportator is merely to hold the paper taut, and from this last named machine it passes over to the finishing table. The hazard involved comes from the drying process; there is also danger from spontaneous combustion from the dust and linseed oil. Extreme care should be taken that there are no open lights, and the place should be well ventilated.

FIRE INSURANCE IN THE COURTS.

A Concise and Convenient Digest of the Law of Fire Insurance as It Is Being Developed and Interpreted by the Various Courts Throughout the United States.

Reported for the Weekly Underwriter by W. Woodhull Hay, of the New York Bar.

1. Proof of Loss—Right of Inspection by Insurer.

The fact that a policy requires insured to furnish proof of loss does not deprive the insurer of his right to investigate the extent of the loss.

2. Same—Liability of Insurer Upon Waiver of, Stated.

Where the insured, relying upon conduct by the insurer or its agents, is induced to believe that the insurer waives formal proof of loss, and thereupon does not submit proof of loss, the insurer is liable on the policy.

3. Same—When Failure to Furnish Same Does Not Avoid Policy.

A policy provided that loss should become payable within six months after satisfactory proof of loss, and that no action should be sustained on the policy until after full compliance with the provision. The court held that this clause did not make the policy void upon failure to furnish proof of loss, but that it was merely a time limitation upon the right of action.

4. Policy of Mortgagee—When Same May Provide for Assignment.

A policy taken out by the mortgagee may provide for an assignment of the mortgage debt, together with the security, to the insurer upon payment of the loss. The court held that the contract of insurance was a sufficient consideration for the assignment.

5. Subrogation of Insurer to Rights of Mortgagee—When Insurer Is Not Entitled Thereto.

The policy taken out by the mortgagee provided that, if the company paid the loss to the mortgagee, and should claim that no liability existed as to the mortgagor, the company should be subrogated to the rights of the mortgagee, who should thereupon transfer to it the notes and deed of trust. The court held that the only valid construction of this provision was that the policy as to the mortgagor be proved void; that a mere claim that the policy was void could not effect subrogation.

As in this case the court held that the requirement of proof of loss had been waived by the insurer, the policy as to the mortgagor was not void. The court, therefore, held that no subrogation was effected.

6. Same—Right of Mortgagor to Have Trust Deed Canceled, When No Subrogation is Effected.

When an insurer is not entitled to be subrogated to any of the mortgagee's rights under the mortgage, upon paying him

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the amount of the mortgage after loss, and taking an assignment of the trust deed and notes, the mortgagor can maintain an action against the insured to compel the cancellation of the trust deed, on the ground that the debt is paid.

7. Mortgagee Clause—What Acts Thereunder Render Policy Void.

The mortgagee clause, provided that the policy should not become void as to the mortgagee by any act or omission of the mortgagor. The court held that this related to acts rendering the policy void before the loss occurred.

Judgment against insured below here reversed by the Supreme Court of Missouri.

LOWENSTEIN vs. QUEEN INSURANCE COMPANY,
127 Southwestern, 72. (May 18, 1910.)

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1. Reformation of Policy—General Rules Stated—What Courts May Reform.

A policy may be reformed in equity or at law upon a trial.

2. Same—When Not Reformable.

Where a writing embodies the contract actually made, the fact that the parties acted under a mistake of law, equity or fact will not authorize a reformation.

3. Same—Where Burden of Proof Lies.

The burden of proof lies with the insured where he accepts the policy without dissent, for he is presumed to know its contents. Moreover, his evidence must be clear and convincing.

4. Same—When Same May Be Reformed.

A policy may be reformed after, as well as before, loss. Whether the insured, however, is guilty of laches is a question for the jury.

5. Same—What Evidence Is Admissible.

The insured offered to prove that he and the agent of the insurer together went through the premises, that he told the agent that he wanted it all insured, and that the agent by mistake did not include it all. The court held the evidence admissible.

6. Risks Assumed—Power of Agent to Bind Principal.

Where an agent has authority to exercise discretion in issuing policies, and the risk assumed is a legal one the insurer is bound by all the risks under the policy issued by the agent.

7. Sale and Mortgage of Property—Power of Agent to Bind Principal, Concerning.

Though a policy provides that its conditions can be waived only by specific agreement indorsed thereon, and that the agent shall be deemed the agent of the insured, an agent may bind the principal by stating that a sale and mortgage of the property would not avoid the policy.

8. Same—Power of Agent to Transfer Insurance in Connection With.

A local agent, authorized to countersign policies, and who received the premium, has apparent authority to transfer the insurance in case of sale or mortgage of the property.

9. Insurable Interest—What Change of Interest Still Remains Such.

A policy prohibited change of interest without consent of the insurer. A retiring partner sold his interest to the remaining partner and took a mortgage to secure part of the consideration. The court held that this did not violate the above prohibition, because a policy remains operative so long as the insured retains any interest in the property, legal or equitable, to the extent of the interest so retained.

10. Inventory Before Loss—When Proper Evidence of Property at Time of Loss.

A correct inventory taken several months after the issuance of the policy is admissible on the part of the insured to show property on hand at the time of the loss, especially where the insured is charged with fraudulently presenting a fictitious inventory as to such property.

11. Same—When Same Avoids Valued Policy.

A misrepresentation avoids a valued policy, if fraudulent and not a mere error in judgment.

12. Same—What Proof Is Necessary.

In order to prove fraudulent overvaluation in a valued policy the insurer must show either that the insured knew the property was worth less, or that the actual value was so much less as to warrant a presumption of intention.

13. Same—Effect of Same When Policy Is Not Valued.

Where the policy is not valued, a fraudulent misrepresentation does not avoid it, but is relevant only to the question of fraud and false swearing in general.

14. Same—What Evidence Is Admissible to Rebut Claim of Same.

It is competent for the insured to show the value of the property at the time it was insured and that the value had undergone no change from then till the fire.

Judgment for insured below here affirmed by the Court of Civil Appeals of Texas.

DELAWARE INSURANCE COMPANY vs. HILL,
127 Southwestern, 283. (May 18, 1910.)

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1. Other Insurance—What Evidence Concerning Is Insufficient to Predicate a Breach of Clause Against.

The insured testified that about two months before the issuance of this policy he was insured on this and other property in other companies by three policies. The court held this insufficient to show he had other insurance at the time of the present policy.

2. Same—Pleading.

A general denial by the insurer that the insured had complied with the terms of the policy does not raise the issue of a breach of the clause against other insurance. This must be pleaded specifically.

3. Overvaluation—When Not Sufficient to Avoid Policy.

An honest overvaluation does not avoid a policy.

Judgment for insured below here affirmed by the Supreme Court of Arkansas.

ATLAS INSURANCE COMPANY vs. ROBISON,
127 Southwestern, 456. (May 18, 1910.)

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1. Agent of Company—Who Is Such Under Kentucky Statute.

Section 633 of the Kentucky statutes (Russell's St. Sec. 4281) provides that one soliciting and receiving applications for insurance on behalf of an insurance company, or transmitting for another an application for insurance, is the agent of such company.

2. Agent of Unauthorized Foreign Company—When Personally Liable For Its Insolvency.

One who acts as agent for an insurance company unauthorized to do business in the State personally guarantees its solvency, and is liable for loss sustained by reason of its insolvency to one contracting through such agent without knowledge of the lack of authorization of the company, and believing the agent duly authorized. In such a case false representations regarding the solvency of the company are immaterial if the company would have been liable had it been solvent. The agent, however, can make any defense the company could have made.

3. Same—When Not Personally Liable.

If the person merely forwarded the application to accommodate the insured, and told him he was not the agent, and did not know the company was unauthorized to do business, the person so transmitting is nevertheless the agent under the above statute, but is not personally liable for the insolvency, because the insured was not misled.

4. Same—Same—Effect Upon Liability of Company, Stated.

The fact that the person forwarding the application is not personally liable as aforesaid is no defense to an action by the insured against the company.

5. Same—Same—When Penally Liable.

The fact that the person forwarding the application is not personally liable as aforesaid does not relieve him from penal liability.

6. Incendiarism—When Evidence of Same May Not Be Given.

In an action against the agent in this case he cannot adduce evidence that the insured purposely set fire to the premises without having so pleaded.

Judgment against insured below here reversed by the Court of Appeals of Kentucky.

VERTREES vs. HEAD & MATTHEWS,
127 Southwestern, 577. (May 18, 1910.)

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1. Gasoline—When Not "Kept, Used or Allowed" on Premises.

A policy provided that it should be void if gasoline was kept, used or allowed on the premises. Certain gasoline was delivered on the premises, but straightway removed to other premises. The court held that this was not a breach of the provision.

2. Same—What Knowledge by Agent Waives Breach of Clause Against.

Certain other gasoline was kept for use on the premises. This the agent knew at the issuance of the policy. The court held the issuance carried with it the consent of the insurer that the building might be used, as it was being used at that time.

3. Same—What Knowledge Concerning, by Agent Waives Breach of Clause Against Increased Hazard.

The policy also provided that it should be void if the hazard was increased by any means within the knowledge or control of the insured. As the insurer impliedly waived the breach of the

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condition against the use of gasoline as aforesaid, it cannot contend that the increased hazard clause was not also waived.

Judgment for insured below here reversed by the Court of Civil Appeals of Texas.

AMERICAN CENTRAL INSURANCE COMPANY VS. CHANCEY,
127 Southwestern, 577. (May 18, 1910.)

1. "Other Insurance" Clause—Validity of, Stated.

A policy contained a clause providing that "this entire policy, unless otherwise provided by agreement indorsed hereon, or added hereto, shall be void if the insured now has or shall hereafter make or procure any other contract of insurance, whether valid or not, on property covered in whole or in part by this policy." The court regarded this clause as customary and reasonable, and held it valid.

2. Same—What Acts by Insurer Do Not Constitute Waiver of.

There was an admitted breach of the above clause, but the insured contended that certain conduct by the insurer after knowledge of the breach constituted a waiver thereof. After the fire the agents of both insurance companies determined to place the matter in the hands of an independent fire insurance adjuster for investigation. This man had his suspicions aroused on his first visit to the scene of the fire, and immediately thereafter requested the fire marshal to look into it. The insured argued that the sending of the adjuster to the insured's premises constituted a trespass if the policy was already void by virtue of the breach of the condition as aforesaid, and that the sending, therefore, in effect, recognized the policy as still existing. The court held that the doctrine of waiver in such cases could be invoked only where the conduct of the insurer had induced the insured to act upon it, and where otherwise it would be fraud upon the insured.

Judgment against insured below here affirmed by the United States Circuit Court of Appeals.

BAKHAUS VS. GERMANIA FIRE INSURANCE COMPANY,
176 Federal, 879. (May 19, 1910.)

1. False Inventory—When Same Invalidates Policy.

Insured padded the inventory after the loss by making certain erasures and by adding certain figures therein. The jury found against the insured, and the court held that the policy was forfeited by reason of the provision therein, stating. "The entire policy shall be void if the insured has * * misrepresented * * any material fact or circumstance, * * or in case of fraud or false swearing by the insured touching any matter relating to this insurance, or the subject thereof, before or after a loss." The court stated that the deficiency could not be accounted for on any reasonable hypothesis.

2. Same—What Actions by Insurer Do Not Waive Same.

The insured contended that a false swearing subsequent to the loss must be shown to be material to avoid the policy, and that if the company had knowledge of the facts, a false statement could not reasonably deceive or mislead it. The court held that it was unnecessary to consider this doctrine, as the question of fraud was in connection with the inventory; and, concerning fraud of this kind, the policy provided that there should not be held to be a waiver by the insurer "by any requirement, act, or proceeding on its part relating to the appraisal or to any examination" therein provided for.

Judgment for insured below here reversed by the Supreme Court of Louisiana.

ALFRED HILLER COMPANY VS. INSURANCE COMPANY OF NORTH AMERICA,
52 Southern, 104. (May 21, 1910.)

1. "Sole Ownership" Clause—What Possession of Premises Awarded a Divorced Wife Is Not a Breach of.

A policy contained a clause providing it should be void if the interest of the insured be other than unconditional and sole ownership or if the building be on ground not owned by him in fee. By a decree of divorce the possession of the insured premises was awarded to the wife of the insured, subject to remarriage or further court orders. The court held that the clause referred to title and ownership and not to possession, and that the clause was not broken by the possession of the wife.

Judgment against insured below here reversed by the Supreme Court of Arkansas.

HIX VS. SUN INSURANCE COMPANY,
127 Southwestern, 737. (May 25, 1910.)

1. Proof of Loss—Where Burden of Proving Waiver of Same Lies.

The burden of proving waiver of proof of loss is on the insured.

2. Same—What Conduct by Insurer Waives Same.

Where the insurer does not complain of failure by insured to furnish proof of loss, or that such failure was a cause of delay in settlement, a finding that the insured waived such proof will be sustained.

3. Time to Sue—How Sixty Days Are Computed.

Where a policy provides that after the amount, upon a disagreement, was determined by appraisers, said amount should be payable sixty days after notice, ascertainment, and proof of loss were received, the sixty days allowed for settlement before suit must be computed from the date proofs of loss are furnished, and not from that of the attempted arbitration.

4. Findings of Arbitrators—When Same May Be Disregarded.

Where a policy provides that the insurer shall be liable for only three-fourths of the actual value of the property destroyed, the findings of the arbitrators may be disregarded when they did not find the actual value of the property destroyed, on the theory that such value was not important if the total loss exceeded the total insurance.

Judgment for insured below here affirmed by the Court of Appeals of Kentucky.

GLOBE & RUTGERS INSURANCE COMPANY VS. JOHNSON,
127 Southwestern, 765. (May 25, 1910.)

1. Renewal Policy—What Parol Agreement Is Binding.

A parol contract to renew an existing contract of insurance between parties having authority to contract and covering the same property on the same terms is binding upon the parties. The fact that no new policy is issued and no premiums paid before the fire occurs does not avoid the policy, providing credit is given and payment of the premium is not a condition precedent to the validity of the policy.

2. Same—What Agent May Make.

The fact that the agent had no authority to consummate the original contract of insurance, and that the approval of the home office was necessary to its validity, is no reason why the renewal contract made by the same agent must have a similar approval to consummate it, when the agent had in the meantime been clothed with authority to consummate contracts and to issue policies.

3. Same—What Elements Are Included Therein.

A stipulation in a renewal contract that the property shall be insured on the same terms and conditions as in the former contract is interpreted to include the essential elements of a contract of indemnity, and does not refer to the steps or methods by which the original contract was reached or executed.

Judgment for insured below here affirmed by the Supreme Court of Kansas.

BROWN VS. HOME INSURANCE COMPANY,
108 Pacific, 824. (June 6, 1910.)

1. Mortgagee Claims—Right of Insured to Assign Policy.

A policy contained a clause making the loss payable to the mortgagee as his interest might appear. Before the loss the insured sold the insured property to a third party, and, as part of the consideration, orally agreed to transfer the policy to him. The agent of the insurer agreed to see to the necessary change. The court held that such an assignment was proper and valid, as the original premium supported both the interest of the insured and his mortgagee.

2. Same—When Consent of Mortgagee to Assignment Is Not Necessary.

The mortgagee clause reserved to the mortgagee no right to approve or disapprove assignment of the owner's insurance. The court held that without such a reservation the mortgagee could not restrict the owner's right to assign.

Judgment against insured below here reversed by the Supreme Court of Kansas.

FUNK VS. SHAWNEE FIRE INSURANCE COMPANY,
108 Pacific, 832. (June 6, 1910.)

1. Non-Payment of Premium—When Policy Is Forfeited Thereby.

A policy contained a provision rending it void "if the assured fails to make the payment [of the premium] on or before the 15th day of the month succeeding that in which this policy is dated." There was also a provision that no agent had power to waive this condition, unless such waiver was written on or attached to the policy. The insured paid the premiums to her own agent on a day later than the required date, and it was not until after a fire, subsequently occurring, that the sum was tendered to any agent of the company. No waiver was written upon or attached to the policy. The court held the policy forfeited.

Judgment against insured below here affirmed by the United States Circuit Court of Appeals.

BECKER VS. EXCHANGE MUTUAL FIRE INSURANCE COMPANY,
177 Federal, 918. (June 16, 1910.)

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Casualty and Surety Insurance.

(*Continued from page 8.*)

Company with **the pen** with which Governor Hughes signed the bill providing standard provisions for casualty and health insurance companies. The pen is elaborately decorated with silk tassels and pink ribbons. Superintendent Hotchkiss is a good loser.

Washington insurance men object to the appointment of LeRoy Mark as agent of Automobile Commissioner George in the District of Columbia. They point out that the influence given him by the appointment will give him an undue advantage over his fellow insurance agents in securing automobile business.

The Travelers reminds its agents that in the rush for the more familiar lines of liability insurance many **profitable classes** have been **neglected,** as, for example, teams, general owners' protective, private residence, contractors' protective and public for manufacturers and contractors, who already carry employers' liability with the Travelers.

Investigation and adjustment **expenses in connection with** the **liability insurance** lines have been increasing rapidly during the past few years. In 1905 the proposition of premium income consumed in the payment of such expenses was 9.65 per cent., while in 1909 it was 12.84 per cent., the average for the five years being 11.49 per cent.

Since the Federal postal savings bank bill has been signed by the President, **surety** men have been investigating the **opening** thus **created** for the development of the bonding of postmasters and others connected with the handling of the savings funds, under the general law requiring the bonding of all depositaries of public funds.

The **Independent Surety Company,** which recently opened offices at 111 Broadway, has announced that it will not make any immediate attempt to secure business, but will lie dormant for a time. It is stated that this company was planned to take care of the business of the Fuller Construction Company and its subsidiaries.

The **Buffalo Casualty Company** is being organized at Buffalo with paid up capital of $100,000 and surplus of $50,000 to take over the business of the Protective Life Assurance Society, now an assessment company. The new company will write health and accident insurance.

An item has been going the rounds that **accident claims** have been unusually heavy this year. Several prominent accident men in New York state that their companies are not suffering from any unusual demands.

In Kentucky insurance vending machines are legal if they exhibit a copy of the policy and if the caretaker has been regularly licensed, according to the recent ruling of Insurance Commissioner Bell.

It is expected the Congressional commission appointed to investigate **employers' liability and workmen's compensation** will meet in Washington or Chicago in late August or early September.

The **National Live Stock Company** is being promoted at Indianapolis. The capital is to be $100,000 and the surplus $25,000, both fully paid in. The policies will also cover loss by theft.

The **Continental Life and Accident Company** is being organized at Detroit by George W. Cooper. Its capital and surplus will be $100,000 each.

The **United States Fidelity and Guarantee** has appointed L. A. Wallace to be manager of casualty lines for its Pacific department.

The **Enterprise Casualty Company** of Philadelphia has elected Wayne F. Foulker president and W. H. Dempsey, Jr., treasurer.

The trend of **casualty contracts** seems to be toward increased benefits, notwithstanding the reports of higher loss ratios.

Another meeting of **liability insurance** men will be held next week to further consider **rates** for New York and Ohio.

The **Massachusetts Accident** has elected its claim manager, George R. Bacon, to be a director of the company.

The **Illinois Surety** has applied for admission to Massachusetts.

Official Reports.

Michigan.

From the advance sheets of the fortieth annual report of the Insurance Department of the State of Michigan, James V. Barry Commissioner, is gained the remarkable information that while the loss ratio in that State during 1909 was greater than the year previous, the average rate of premium was less than it has been for thirty years. At the close of the year one hundred mutuals were doing business in the State, of which four were incorporated during the year. The companies doing business in Michigan show an improvement in condition, and there were no failures during the year. Extracts from the advance sheets are as follows:

It is gratifying to note that there were no failures either of companies incorporated under or transacting business by virtue of the laws of Michigan during the year under report. Notwithstanding an increased loss ratio, the companies, with few exceptions, evidence an improved condition. All companies transacting business in Michigan have fully met the requirements of the laws of this State.

INCREASED LOSS RATIO.

As above intimated the loss ratio for the year shows an increase over that of the previous year, this increase being .813 per cent. The per cent. of losses incurred to premiums received was .5873 in 1909, as against .506 in 1908.

This increased loss ratio serves to emphasize the need for the adoption by the authorities and citizens of Michigan of measures that will tend to reduce fire waste.

DECREASED COST OF INSURANCE.

The average rate of premium per $100 of insurance written was $1.15, the lowest in thirty years. As compared with that of 1908 this average rate showed a decrease of 7 cents per $100 of insurance written. Unlike neighboring States with which comparison is frequently made, practically none of the low rated farm business enters into the computation of the average rate of premium paid in this State. The aggregate of farm business written by stock companies in Michigan is exceedingly small, whereas the companies referred to write this class of business very freely in adjoining States. Were these companies to write this class of business as freely in Michigan the average premium rate of this State would show a marked decrease. Practically all of the farm business of Michigan is written by the farmers' mutual fire insurance companies of this State. There are one hundred of these

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companies, and all of them are conducted on the assessment plan. The business they transact does not enter into the computation of the average rate of premium.

EXPENSES OF COMPANIES.

During the past year the Insurance Commissioner of Michigan has devoted considerable time to an investigation of the question of expenses of fire insurance companies. This work has been done in his capacity as chairman of a special committee appointed by the National Convention of Insurance Commissioners to conduct such investigation. A vast amount of correspondence with companies has been conducted, and the committee has given several hearings to company representatives and others in Chicago and New York. The inquiry was suggested by the growing rate of commission paid agents and brokers in certain sections of the country, the commissioners being unanimously of the opinion that there can be no reasonable defense of commissions running as high as 35 and 40 per cent., as is the case with commissions paid by some companies on so called preferred business. This opinion appears to be shared by the managers of many of the companies, who also share the opinion of the commissioners that the general expense of conducting the business is too great. During the past few weeks there has developed a movement on the part of many of the larger companies to co-operate for the purpose of reducing expenses, and it is to be hoped that this movement will produce substantial results.

The investigations of the special committee has disclosed conditions which make the question of a proper statutory remedy most perplexing. Naturally the situation suggests the enactment of a law limiting commissions or expenses, but the danger of such an enactment lies in the probability that it would seriously handicap the younger and smaller companies in their efforts to procure business. The argument is that the companies mentioned find it necessary in competing with the older and larger companies to make it a financial object for agents to place business with them, and were this privilege to be denied them through the enactment of laws placing them on the same basis with their older and financially stronger competitors as regards commissions that may be paid or maximum expenses that may be incurred, they would be driven from the field. It is further contended with much reason that were such legal limitations to be enforced no new companies would be organized and the business would, therefore, be given over to the large companies, and a monopoly thus created.

The special committee representing the National Convention of Insurance Commissioners is still considering the subject and expects to report its conclusion to the convention, which will meet in Mobile, Ala., late in September.

STATE RATE MAKING.

There has been considerable agitation during the past year or more of the matter of rate making or rate supervision by State authorities. The experience of the States of Kansas and Texas, the only States which have enacted laws of this character, has been such as to warrant the observation that plans thus far suggested are largely experimental and that Michigan can well afford to await their development and perfection before enacting legislation of this nature.

Insurance Legislation.

Georgia.

ATLANTA, June 27.—**House Bill No. 717, introduced by Assemblyman Lawrence of Chatham, creates a firemen's relief fund for incorporated cities having organized fire departments. Fire insurance companies are to be taxed 1 per cent. on "all premiums written on fire and lightning policies covering property situated within the incorporated limits of such towns or cities during the year" for the support of said fund. The bill has been referred to the Insurance Committee.**

Louisiana.

BATON ROUGE, July 1, 1910.—The following bills have been introduced by Senator Barrett:

No. 105—An act relative to assumed risks by employees of dangers resulting from the negligence of the master.

No. 106—An act relative to injuries caused by fellow servants.

No. 107—An act relative to contributory negligence.

There is little chance of Senate Bill 49 getting through the Legislature on account of the late date of its introduction.

New York.

ALBANY, June 27.—**Upon the adjournment of the Legislature** May 27 there were eleven bills amending the insurance laws that awaited Governor Hughes' action. **They were disposed of by the** Governor as follows:

Senator Agnew's (Int. No. 271), relative to **religious orders,** signed by **the Governor.**

Senator Harden's (Int. No. 374), relative to **the authority of** persons negotiating fire insurance, **making the broker the agent of** the company, vetoed.

Senator Grattan's (Int. No. 885), relative to **surrendered and** lapsed policies of life insurance, **signed by the Governor.**

Senator Grattan's (Int. No. 1069), **permitting the use of a combination standard form of fire policy, signed by the Governor.**

Assemblyman Glore's (Int. No. 267), relative to **the fraternal** order of the Deutscher Krieger Bund, **New York, vetoed.**

Assemblyman A. F. Allen's (Int. No. 467), **relative to the purposes** for which certain insurance **companies may be incorporated,** signed by the Governor.

Assemblyman A. F. Allen's (Int. No. 468), **relative to standard** provisions for accident and health **policies, signed by the Governor.**

Assemblyman A. F. Allen's (Int. No. 469), **amending Article 1** of the insurance law generally, signed by the Governor.

Assemblyman A. F. Allen's (Int. No. 749), **relative to Lloyds** or interinsurers, signed by the Governor.

Assemblyman A. F. Allen's (Int. No. 862), **amending Sections** 73, 96 and 97 of the insurance law, **relative to the expenses and limit of business of life insurance companies, signed by the Governor.**

Assemblyman Weber's (Int. No. 1262), **amending Section 84 of the insurance law, relative to the valuation of industrial life insurance policies, signed by the Governor.**

United States Congress.

The Senate Committee on the District of Columbia was authorized by the Senate previous to adjournment this week to prepare a code of laws for the regulation of companies doing business in the District. The Washington *Star* says:

The committee can sit during a recess of Congress, employ experts, administer oaths, take testimony, send for persons and papers and have its proceedings printed. When the code has been prepared it is to be presented to the Senate for its action.

This is the beginning of the drafting of a model insurance code designed to be copied in the various States of the Union. It has been urged by national insurance organizations on the ground that a code prepared at the direction of Congress with the aid of the best insurance experts of the country, and afterward given the sanction of Congress and put into operation in the national capital, would serve as a model for State insurance codes, and thus tend to make uniform the insurance regulations throughout the country.

The expenses of the preparation of the code are to be paid out of the contingent fund of the Senate. Proposals have been frequently made to have Congress enact a new code of insurance laws for the District, and the Senate District Committee decided that it would undertake the preparation of a comprehensive and model code. About a month ago Senator Gallinger, chairman of the committee, was instructed to report a resolution that would allow the committee to carry out that plan. Under the rules of the Senate it had to be referred to the Committee on Contingent Expenses. Senator Kean, its chairman, reported favorably on the resolution today, and it required only a minute to have the Senate give its assent.

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Miscellany.

Fire Underwriters' Association Organized at New York—Synopsis of Agreement.

The permanent organization of a new association to take the place of the old Eastern Union was effected at a secret meeting of fire insurance companies held in New York on Wednesday of this week. The new association is to be known as the Fire Underwriters' Association, and has 103 company members, representing the required 75 per cent. of premiums written in the territory under the jurisdiction of the association.

The officers of the association elected at Wednesday's meeting are: Henry W. Eaton, United States manager of the Liverpool and London and Globe insurance company, president; J. B. Branch, president of the Providence-Washington Fire insurance company, vice president, and Howard DeMott, now secretary of the Eastern Union, secretary and treasurer.

The meeting was well attended and was presided over by Mr. Frank Lock as temporary chairman. Mr. A. E. Duncan, president of the Franklin Fire of Philadelphia, as chairman of the Committee of Fifteen, submitted certain additions to the constitution and bylaws, one of which was a rule that where the local Board, State Association or other underwriting body shall accept and put into force the rules of the Fire Underwriters' Association with reference to commissions, such a reduction shall be made in the rates of such localities as may be warranted. This was adopted.

The chairman of the Committee of Fifteen also reported a modified system of protection which might be called a mild form of separation, leaving it in the hands of the executive committee to determine where the interest of the association will require members of the association in an agency to retire, in which case no association company shall enter the agency within one year except by consent of the executive committee. This was adopted.

An appeal was presented from a committee of New York insurance brokers asking for an opportunity to be heard. It contained an exhaustive argument against reducing the brokerage in New York, and after being read was referred to the executive committee which is to be appointed by President Henry W. Eaton as outlined in the constitution. This committee will, it is expected, commence its labors immediately.

SIGNERS.

The following companies up to date have signed the agreement:

Ætna of Hartford.
Agricultural of Watertown.
Assurance Company of America.
Allegheny of Pittsburgh.
Allemannia of Pittsburgh.
Alliance of Philadelphia.
American of Newark.
American Central of St. Louis.
Atlas of London.
Ben Franklin of Pittsburgh.
Birmingham of Pittsburgh.
Boston.
British-America.
Caledonian.
Caledonian-American.
California.
Camden.
Citizens of St. Louis.
City of Pittsburgh.
City of New York.
Colonial, New York.
Commerce of Albany.
Commercial Union, London.
Commercial Union, New York.
Commonwealth, New York.
Connecticut of Hartford.
County of Philadelphia.
Delaware of Philadelphia.
Dixie Fire, Greensboro.
Empire City, New York.
Equitable of Providence.
Fire Association, Philadelphia.
Firemen's Fund.
Franklin of Philadelphia.
Georgia Home.
Granite State.
German of Pittsburgh.
German-Alliance, New York.
German-American, New York.
German-American, Pittsburgh.
Germania, New York.
Glens Falls.
Hamburg-Bremen.
Hanover.
Hartford.
Home, New York.
Humboldt, Pittsburgh.
Insurance Co. of North America.
Insurance Co. State of Illinois.
London Assurance.
Liverpool and London and Globe.
Liverpool & London & Globe, N. Y.
London and Lancashire.
Massachusetts Fire and Marine.
Mechanics and Traders.
Mercantile, Boston.
Michigan Commercial.
Monongahela, Pittsburgh.
Nassau.
National of Hartford.
National of Pittsburgh, Pa.
National Union, Pittsburgh.
New Brunswick.
New Hampshire.
New York Underwriters' Agency.
Niagara.
North British and Mercantile.
North British and Mercantile, N. Y.
Northern of London.
Northern of New York.
North River.
Norwich Union.
Old Colony.
Orient.
Palatine.
Pelican, New York.
Pennsylvania.
Peoples Nat'l, Philadelphia.
Peter Cooper.
Philadelphia Underwriters.
Phœnix of London.
Phœnix of Hartford.
Pittsburgh.
Providence-Washington.
Queen.
Reliance.
Rochester-German.
Royal.
Royal Exchange.
Scottish Union and National.
Security, New Haven.
Springfield.
State of Liverpool.
Standard of Hartford.
Sun of London.
Svea.
Teutonia of Pittsburgh.
Union of Pittsburgh.
United States.
Virginia State.
Western of Toronto, Canada.
Western of Pittsburgh.
Westchester.

NON-SIGNERS.

Among the companies which have not signed are these:

Aachen & Munich.
Adirondack.
Albany.
American of Philadelphia.
American National, Illinois.
Austin.
Buffalo Commercial.
Buffalo German.
Calumet.
Capital.
Commonwealth, Dallas.
Concordia.
Continental.
Detroit.
Dubuque.
Dutchess.
Farmers, New York.
Fidelity-Phenix.
Firemen's, New Jersey.
Franklin of Wheeling.
German of Baltimore.
German of Peoria.
German-American, Baltimore.
Girard.
Globe-Rutgers.
Imperial of Denver.
Insurance Co. State of Pennsylvania.
Jefferson, Philadelphia.
Lumber.
Lumbermen's.
Law Union and Rock.
Mechanics, Philadelphia.
Michigan.
Milwaukee.
Milwaukee Mechanics.
Milwaukee German.
National Lumber.
Newark.
Northwestern National.
Pacific.
Rhode Island.
St. Paul.
Shawnee.
Spring Garden.
Standard of Trenton.
Stuyvesant.
Teutonia of Louisiana.
Union of Philadelphia.
United Firemen's.
Virginia.
Washington of Seattle.
Western Reserve.
Williamsburgh City.

THE AGREEMENT.

A synopsis of the agreement is presented herewith. The omitted sections refer to the parliamentary organization:

CONSTITUTION.

NAME.

The name of this association shall be "The Fire Underwriters' Association."

OBJECT.

Its chief object shall be the reduction of the expense of conducting the fire and tornado insurance business in all territory under its jurisdiction, to the end that the cost to the insuring public may be reduced to the minimum.

TERRITORY.

The territory shall comprise the States of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, District of Columbia, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Texas and Arkansas, and such other territory as may be taken on by vote of the association, except those States where such an agreement may now or hereafter be contrary to law.

* * * * * * * * *

BY-LAWS.

REMUNERATION AND ALLOWANCES TO AGENTS AND BROKERS.

(a) In the following territories the brokerage on fire and tornado risks shall be limited to not exceeding 10 and 15 per cent. on classes hereafter enumerated: New York Fire Insurance Exchange; Boston Board of Fire Underwriters, inclusive of their metropolitan district; Philadelphia Fire Underwriters' Association, Delaware County, Pa.; Allegheny County Board of Fire Underwriters; Association of Fire Underwriters of Baltimore City; Fire Insurance Society of Newark, N. J. In the territory of the Suburban Fire Insurance Exchange of New York, brokerage of 10 per cent. only may be paid. In all of the above territory an overriding commission to policy writing agents shall be allowed of not exceeding 10 per cent. (save exceptions noted below), together with an allowance of not exceeding 1 per cent., which shall cover all agency expenses, such as postage, exchange, advertising, maps and map corrections, and all other charges excepting local board expenses.

On dwellings and their contents, private barns and their contents, occupied exclusively as such, 15 per cent. brokerage may be allowed. On all other classes 10 per cent. brokerage may be allowed. (b) On all classes of risks located in territory not

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before mentioned a commission to agents shall be allowed of not exceeding 15 per cent., with an allowance of not exceeding 1 per cent., which shall cover all agency expenses, such as postage, exchange, advertising, maps and map corrections, and all other charges excepting local board expenses. (c) The commission and brokerage rules of this association shall not apply in the non-excepted or ordinary portion of the territory under the jurisdiction of the association until the association has perfected and made mandatory rules reducing commissions and brokerages in accordance with the terms of this agreement, in the excepted portion or portions of the territory. (d) No member shall allow, either as brokerage or commission, except to duly commissioned agents authorized to bind risks, over 10 per cent. on any policy written at the head office of his company or at any branch or agency office, covering property located in 15 per cent. territory. (e) The appointment as agent of any official or representative of any church, school, college or public institution, for the purpose of receiving commissions for policies issued thereon is prohibited.

SALARIED AGENT.

(a) One salaried agent may be employed by a company or by companies jointly which are under the same ownership or control in any city having a population of at least 100,000 as per last census. Such agent shall be under the same restrictions as to brokerage as are imposed upon other agents. Such salaried agents shall not represent any other company. This clause does not relate to companies maintaining now or hereafter in such cities branches at which the entire cost is borne by such companies, and where all remuneration shall accrue to the company maintaining the branch office. The names of all salaried agents shall be filed with the secretary, together with a statement of the territory covered by them. Such appointments shall be revoked by any member should the executive committee upon investigation decide that they controvert the spirit or letter of these rules. (b) The appointment of an agent as a salaried representative who at the time of his appointment represents or has within six months represented as agent such other member or members of this association, is forbidden. (c) Officers or salaried employees at the head offices of companies members hereof, may act as agents of other companies also members hereof, at the rates of commission permitted by the rules of this association.

GENERAL AGENTS.

(a) General agents under the meaning of this rule are defined as those who receive and pass upon daily reports of agents in the territory under their jurisdiction, and have in other respects entire supervision of such agents. It is understood that the intent of these rules is to prevent the appointment or maintenance of general agencies for the purpose of influencing the business of a local agency by the payment of excess commissions. (b) All members having general agencies within the territory covered by this association—whether the same were established prior to the formation of this organization or subsequent thereto—shall be required to file within sixty days with the secretary (to be published in the bulletin) the names of such general agents and a statement showing where their head office is located and the territory over which their jurisdiction respectively extends. Any such appointment hereafter made shall be reported and published in the bulletin in like manner. (c) If upon investigation the executive committee shall be satisfied that any such appointments have been made or are in effect contrary to the spirit and intent of the rules of this association, such appointment or appointments shall at their request be revoked; provided, however, that any member required to revoke any appointment may appeal to the association against the decision of the executive committee at any general meeting, and the decision then reached shall be final. (d) No general agent representing a member of this association shall also represent as general or special agent a company not a member of this association in the territory of this association.

SPECIAL AGENTS.

(a) No member shall be represented by a special agent who also acts as special agent for a company not a member of this association.

OBSERVANCE OF TARIFF RATES.

(a) Members are obliged to observe all tariffs or rates recognized by this association where not prohibited by law. (b) Members of this association shall not recognize or support tariff organizations other than local boards which do not adopt the brokerage and commission rules of this association. (c) Members of this association shall not recognize or support local boards, including those in the large cities mentioned in Section 1, which do not adopt the brokerage rules of this association.

* * * * * * * * *

REINSURANCE.

(a) There shall be a system of inter-reinsurance between members operated through a central office in charge of the secretary, who shall have power to bind members within duly authorized limits upon risks offered by members. (b) The privilege of the inter-reinsurance bureau shall be open to all members who desire to participate in its membership, and who shall have signed the agreement controlling its operation. (c) No member shall accept reinsurance from a non-association company on any risk located in the territory of the association. (d) No member, by policy, contract, or otherwise, shall give reinsurance to a non-association company on any risk or risks located in association territory, until such reinsurances have been offered to members through the reinsurance bureau, hereinbefore provided. (e) This rule does not apply to head office reinsurance contracts made with reinsurance companies who do not transact a direct policy writing business. The foregoing sections do not apply to steam railroad business.

MEMBERSHIP IN BUREAU.

(a) Every member of this association shall be eligible, on application, to membership in any organization made up of members of this association, for the control of any particular class of business or for inspection purposes. None of the members of this association shall in the future form or be connected with any organization or agreement for the control, solicitation, inspection, or exploitation of any class of business which is not open to all members. (b) Membership in all such organizations shall be confined to members of this association. This rule shall not apply to the National Board of Fire Underwriters.

DEVIATIONS AND PENALTIES.

The executive committee shall have power to examine the books of any company alleged to have deviated, and also to examine under oath the officers of such company. The committee shall, when necessary, or desirable, employ a professional accountant or auditor, who shall have power to examine the books of any company alleged to have deviated. The refusal of any such officer or member to testify to any question pertinent to the complaint, or his refusal to submit to the examination ordered by the executive committee shall be deemed an admission of the truth of the charge under investigation.

The executive committe shall impose a penalty or fine of not less than $100 and not exceeding $1,000 for any one violation of the rule. Penalties shall be paid within thirty days from the date of the notification of finding and before an appeal may be made.

Appeals from the decision of the committee may be made at any meeting regularly called, notice of such appeal having been previously given to each member of the association, and the finding shall be confirmed unless 80 per cent. of the members present shall vote otherwise. If an appeal be successful the fine to be remitted.

(a) Charges Against a Fellow Member.—In case any member shall report the dereliction of any other member coming to his knowledge, it shall be optional with him to make a charge in writing, over his own signature, to the executive committee, or he may, in preferring charges, first submit the actual or supposed facts to two or more members, who shall, if they are thought by them to be sufficiently reasonable and clearly warranted, unite with him in making the charge which must be in writing; the members so uniting in the charges may report to any one member of the executive committee or to the secretary, who shall not in any way, directly or indirectly, indicate the names or identity of such members. Said executive committee shall thereupon investigate the charges.

Pledge of Member.—I hereby agree for myself and all companies which I represent that I will observe the foregoing agreement and all the rules and regulations of the Fire Underwriters' Association, in letter and in spirit, until I am released from its obligations, as therein provided. I will immediately modify, when so notified to do, any agreement, contract or understanding with agents, brokers or others, not in accordance with its provisions, nor will I make any contrary to such while I am a member of this association.

The undersigned companies assent to the foregoing and express their willingness to co-operate in enforcing the same, provided that in advance of the agreement being put into operation a general meeting be called of all the signers before final commitment is made by the subscribing companies.

It being understood that at such general meeting the representa-

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tive of any company assenting thereto shall be at liberty to withdraw his assent if dissatisfied with the number of those assenting or on account of the abstention of those whose co-operation is deemed essential to the effective enforcement of the agreement.

The Conservation of Industrial Efficiency.

Address before the National Association of Master Plumbers, at Chicago, by Edwin W. DeLeon, President of Casualty Company of America.

At the Annual Convention of the National Association of Master Plumbers of the United States in session at Chicago this week, an able address on "The Conservation of Industrial Efficiency" was given by Edwin W. DeLeon, president of the Casualty Company of America. Mr. De Leon presented a concise review of the developments of legislation during the past century, along the lines of labor regulation and governmental intervention to check the waste of natural resources. Speaking of the accidents to workmen in the United States he said:

According to figures compiled by the United States Government, the annual mortality among wage earners on account of accidents of occupation is from 30,000 to 35,000, while the number of non-fatal accidents is more than 2,000,000 each year. It is perhaps not generally known that the greatest percentage of mortality existed among the fishermen of Gloucester, Mass., being 12 per cent. of the total number of men employed, while among railroad trainmen the percentage was only about 8 per cent. for the period of ten years ending 1907.

Mr. DeLeon continued:

Having thus briefly outlined the origin and progress of the movement for a safer industrial America, what is to be the final answer to the question? Prof. Henry W. Farnum, of Yale University, president of American Association for Labor Legislation, in an address delivered at the third annual meeting of the association in December, 1909, stated that the economic ideal of the United States is perhaps most concisely expressed in that part of the preamble of the Federal Constitution, which gives as one of its objects, "to promote the general welfare and secure the blessings of liberty to ourselves and our posterity." As indicative of this policy, the Government inaugurated in 1798, within a few years of its existence, a system of caring for seamen of the merchant marine in case of sickness. This was nearly ninety years ahead of the compulsory sick insurance system of Germany, and exactly one hundred and twelve years from the present day.

I will not attempt to trace the growth of labor legislation during the last century, which found its final expression in the law of Employers' Liability. It is sufficient to say that under modern conditions, the doctrines of fellow servant, contributory negligence and assumption of risk have no place in our economic system, and have either been modified, abridged or abolished altogether. The introduction of complicated and hazardous machinery, the subdivisions of labor into various departments or branches of the same industry by the commercial combinations of the present time, and the almost universal change from the individual employer to corporate control by the great "captains of industry" have affected radically the relation of employer and employee, and have created a situation far removed from the comparatively simple conditions that existed when the common law doctrines were first established.

One conspicuous result of these changes is found in the

LARGE FIELD FOR LITIGATION

which means a display of the subtleties of lawyers and of sympathy by juries in the effort to determine the liability of the employer, and the remedy of the employee. Such a system is necessarily expensive and uncertain, and it is now almost universally conceded to be unsatisfactory to employer and employee alike. To offset this situation and following the trend of the times, two of our great States, New York and Ohio, have recently placed upon their statute books new laws imposing upon employers of labor a greater and wider responsibility for accidents to employees than has ever before been attempted in this country. No member of this association can afford to carry his own risk in these two States in future, but must immediately secure the protection given by liability insurance. Similar legislation is pending in Minnesota and Wisconsin, and the day is not far distant when employers' liability or some form of compensation insurance will be as indispensable in your business as the tools of the trade. Some idea of the magnitude of the litigation handled by the liability insurance ompanies during the ten years ending December 31, 1909, may be gained from the following statistics:

Total number of suits defended for policyholders	76,212
Number of suits settled	64,211
Percentage of suits settled to suits begun	84.25
Number of suits pending	12,002
Percentage of pending suits to suits begun	15.75
Number of suits pending on accidents reported thirteen months or more prior to December 31, 1909	5,494
Reserve for suits	$2,840,999
Average cost of each suit	$517.11
Number of injuries reported during eighteen months to December 31, 1909	598,407
Average cost of each injury reported	$28.29
Gross reserve for accidents reported	$19,766,461
Payments made on account of such accidents	$9,212,727
Net reserve required for accidents reported	$10,553,740

STATE INSURANCE.

On the Continent of Europe the tendency is to substitute a system of State insurance for the liability of the employer for negligence, but there is a great contrast between the facility of social legislation of this sort under the flexible constitution of a nation like Great Britain, and the difficulty of securing similar legislation in forty-six sovereign States, each with its own rigid constitution, and with conditions oftentimes designed to impede the passage of effective labor legislation. It has been truly said, however, that commerce and business are not limited by and do not recognize State lines, and this fact must be recognized in the enactment of legislation of this character, as a manufacturer is confronted with competitors from other States, who may be subjected to very different legislation. In a broader point of view, however, irrespective of any economic, or even humanitarian considerations, the enlightened public opinion of the present day would not tolerate such conditions in our industries as would menace the future citizenship of a self governing country. Under these complex conditions it would, of course, be highly desirable to have uniform State legislation regarding questions affecting labor and its relation to employment. This is extremely difficult to accomplish, however, owing to the difference in local conditions, and consequently in local public opinion. The States that are newer in manufacturing and industrial growth are not so ready to approve of legislation that has been enacted and is readily enforced in the older States. We may assume, however, that the difficulty of securing such uniform State legislation, while serious, is not altogether hopeless or impossible. Enlightened public opinion will in the long run come to realize that the regulation of conditions of employment is not only demanded by the dictates of humanity, and is for the best interest of the community at large, but as an economic question it means increased productiveness and a higher degree of efficiency. Voluntary co-operation between employers and employees will, furthermore, supplement legislation in effecting these desired changes. This tendency is clearly indicated by some of the great industrial concerns of this country that have adopted, solely through this voluntary co-operation, profit sharing schemes, pension systems and mutual insurance against the risks of employment.

Speaking of co-operation and foresight in the matter of accidents suggests the story of the two Hebrews who were in a railroad accident, and on comparing notes later, Aaron remarked that he got $250—not bad for a scratch on the nose. Moses replied that he got $2,500. "Vy, you verent touched," rejoined Aaron, "I saw you with your feet upon the cushions quite safe." "Yes, yes," answered Moses, "but I had the presence of mind to step on my vife's face as I got out of the car." Your own association, through the enterprise and foresight of your esteemed president, effected

A MOST FAVORABLE ARRANGEMENT

nearly a year ago, whereby every member of the association throughout the length and breadth of the land is enabled to secure the benefit of employers and public liability insurance under a broader form of contract, and at a considerably lower rate of premium than was ever before offered to your members by any casualty insurance company in America. That you have not availed yourselves more freely of this exceptional opportunity is not perhaps evidence of your entire indifference to its advantages. It has been well said that people who mind their own business are generally very successful, because they have so little competition. I cannot refrain, however, in closing, from reminding you that the law holds you strictly accountable for injuries to your employees resulting from your negligence or that of any superintendent, foreman or other person in superior authority. You cannot escape or evade this liability, but you can protect yourself against loss and possibly from more serious consequences through liability insurance. The smaller your business operations, the more necessary for you to conserve your credit and insure your profits. The larger your operations the more need you have for this protection, and the less you will feel the cost of it. Public

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sentiment, the courts and the newspapers are strongly arrayed against you in this fight for conservation of industrial efficiency, and public opinion in this country and age, when once aroused, moves rapidly and decisively. As a leading authority has recently said, "Amid so many encouraging signs, we cannot but be hopeful that these problems, however difficult they may appear, will find their solution, whether by legislation or by voluntary individual action, through the working of the mightiest of political forces—the enlightened public opinion of free men in a free State."

You Don't Have to Explain

when you offer a man an Ætna Accident, Health or Disability Policy. You don't have to talk "Company." "Ætna" is the synonym for financial strength, liberal contracts and prompt settlements.

Good Agencies Open to the Right Men.

ÆTNA LIFE INSURANCE CO.

Accident and Liability Department

HARTFORD, CONN.

For an Agency address WALTER C. FAXON, Vice-President

Royal Exchange Assurance

OF LONDON, ENG.

Incorporated A. D. 1720

UNITED STATES BRANCH

92 William Street, New York

UBERTO C. CROSBY, General Manager — RICHARD D. HARVEY, Assistant Gen'l Manager

North British & Mercantile

INSURANCE COMPANY,

OF LONDON AND EDINBURGH.

Established 1809.

OFFICE:

76 WILLIAM STREET,

New York City.

The Home Life Insurance Company

OF AMERICA

"Industrial" INCORPORATED 1899 "Ordinary"

Executive Offices, 416-418-420 Walnut St., Philadelphia, Pa.

All Popular Forms of Life and Endowment Insurance

Industrial policies in full immediate benefit, and written from the age of six months.

Most liberal Cash Loans, Cash Surrender, Paid Up and Extended Insurance Values.

JOHN LANGHAM, Jr., Pres. F. PIERCE BUCKLEY, Vice-Pres.
JOSEPH L. DURKIN, Sec. EDWARD P. MADDEN, Treas.
GEORGE M. NETTLESHIP, General Manager.

THE HOME LIFE IS THE IDEAL HOME PROTECTOR

Mention this Ad

THE

Good Contracts for Good Men.

ROLAND O. LAMB, President.

Robert K. Eaton, Superintendent of Agencies.

Walton L. Crocker, Secretary.

WILLIAM N. COMPTON, General Agent, St. Paul Building, New York

GUARANTEES—NO ESTIMATES

ARE ALL POLICIES OF

American Central Life Insurance Co.

INDIANAPOLIS, INDIANA.

INSURANCE IN FORCE, $25,000,000. ASSETS $2,462,000

High Class Salesmen Wanted in

Tennessee, Missouri, Arkansas, Alabama, Michigan, Pennsylvania, Ohio, Indiana, Illinois, Texas, Kansas, Oklahoma and Kentucky

A NEW PLAN

OF COMPENSATING SALESMEN

Write for Information Today

Head Office for the United States:

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William Street,

NEW YORK.

A. G. McIlwaine, Jr., Manager.

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THE GERMAN MUTUAL LIFE INSURANCE COMPANY

OF ST. LOUIS, MO.

Attractive Policy Forms and Low Premium Rates.
Liberal Contracts to Reliable Producers.

THE ONLY COMPANY IN THE WORLD THAT

"Insures Lives and Guards Them Against Disease"

APPLY

35 Nassau Street, New York, N. Y.

FIRE ASSOCIATION

1817 OF PHILADELPHIA 1908

Total Assets,	$7,840,675.19
Capital Stock,	750,000.00
Net Surplus,	1,804,021.58

E. C. IRVIN, President.
T. H. CONDERMAN, Vice-President.

New York City Department
KELLY & FULLER, Agents
92 William Street, New York City
Boston Department
JOHN C. PAIGE & CO., Agents
65 Kilby Street, Boston, Mass.

THE Fidelity and Casualty Company,

97-103 CEDAR STREET, NEW YORK CITY.

Assets, $9,598,924.02.

Capital and Surplus, $3,564,229.90.

Losses Paid to January 1, 1910, $31,636,503.21.

This Company grants Insurance as follows:
Bonds of Suretyship for persons in positions of trust,
Fidelity Bonds, Burglary, Plate Glass,
Steam Boiler, Flywheel, Employers',
Public, Teams, Workmen's Collective,
Elevator and General Liability;
Personal Accident, Health
Physicians' Liability.

OFFICERS:

George F. Seward, President.
Robert J. Hillas, Vice-President and Secretary.
Henry Crossley, Assistant Secretary.
Frank E. Law, Second Assistant Secretary.
George W. Allen, Third Assistant Secretary.

ILLINOIS LIFE

INSURANCE COMPANY, CHICAGO

JAMES W. STEVENS, President.

Offers exceptional inducements to reliable and energetic men who are experienced in or who would like to enter the business of life insurance.

Address the HOME OFFICE:

Fort Dearborn Building 134 Monroe Street

MEN OF ENERGY
ARE OFFERED
WORK OF MOMENT

in desirable localities representing a sixty-year-old institution, with modern, liberal, law-conforming policies, and helpful Home Office co-operation. Much good territory available. Many opportunities for advantageous positions. Inquire NOW.

Union Mutual Life Insurance Co.

PORTLAND, MAINE

FRED E. RICHARDS, President

Address either: ALBERT E. AWDE, Supt., Flatiron Bldg., Watertown, N. Y. | THORNTON CHASE, Supt., 405 Exch. Bldg., Los Angeles, Cal.

PITTSBURGH LIFE AND TRUST COMPANY

The First Company Licensed

By the New York Insurance Department to Transact Business in That State Since the Armstrong Laws were Enacted.

Ratio of Insurance Expense to Premium Income Only Sixty-five Per Cent. of Amount Allowed by the New York Law.

SEVENTH ANNUAL STATEMENT, JANUARY 1, 1910

W. C. BALDWIN, President.

ASSETS.

Real Estate		$10,153,664.87
Mortgage Loans		3,437,899.00
Loans Secured by Collateral		20,657.82
Loans to Policyholders		3,565,544.82
Bonds and Stocks		5,316,057.00
Cash		711,114.62
Accrued Interest and Rents		176,274.24
Due and Deferred Premiums		270,977.15
Total		$23,652,189.52

LIABILITIES.

Liabilities to Policyholders		$21,697,064.82
Capital Stock	$1,000,000.00	
Unassigned Funds	955,124.70	
Leaving a sum for security to Policyholders in Excess of Legal Liabilities of		1,955,124.70
Total		$23,652,189.52

IT PAYS THE AGENT

To represent the best company. There are many excellent standard life insurance companies. Which is the best? In stability, progressiveness, liberal contracts to agents and low cost to policyholders no company surpasses

THE

Union Central Life

Insurance Co. of Cincinnati

ASSETS, $74,523,966.28 - - - LIABILITIES, $72,324,302.92

Good openings are occuring from time to time.

ADDRESS:

JESSE R. CLARK, President. ALLAN WATERS, Sup't of Agents.

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"The Leading Fire Insurance Company of America."

Incorporated 1819. **Charter Perpetual.**

Cash Capital	$4,000,000.00
Cash Assets	18,062,110.33
Total Liabilities	7,999,405.99
Net Surplus	6,062,704.34
Surplus as to Policyholders	10,062,704.34
Losses Paid in 91 Years	119,451,567.10

WM. B. CLARK, President.
W. H. KING, Vice President.
HENRY E. REES, Secretary.

A. N. WILLIAMS, E. J. SLOAN, E. S. ALLEN, GUY E. BEARDSLEY, W. F. WHITTELSEY, JR., "Marine," } **Assistant Secretaries.**

WESTERN BRANCH, Chicago, Ill.
THOS. E. GALLAGHER, Gen. Agt.
L. O. KOHTZ, Asst. Gen. Agt.
J. S. GADSDEN, Gen. Agt. "Marine."

NORTHWESTERN BRANCH, Omaha, Neb.
WM. H. WYMAN, Gen. Agent. W. P. HARFOKD, Ass't Gen. Agent.

PACIFIC BRANCH, San Francisco, Cal.
GEO. C. BOARDMAN, Gen. Agt.
E. C. MORRISON, Asst. Gen. Agt.

INLAND MARINE DEPARTMENT.
CHICAGO, 159 La Salle St. NEW YORK, 95 and 97 William St.
BOSTON, 70 Kilby St. PHILADELPHIA, 226 Walnut St.

THE LEADING FIRE COMPANY OF THE WORLD

[of Liverpool, England.]

"Live Articles on Special Hazards"

This is the title of a handbook on Special Hazards which every inspector, examiner, local and special agent should possess. The articles are reprinted from the Monthly Fire Insurance Supplement of THE WEEKLY UNDERWRITER, for which they have been especially prepared by experts. Descriptions are given of the processes of manufacture and the physical characteristics of the risk, and the hazards are pointed out in detail. The book will contain about 100 pages, size 4½x6½ inches, bound in flexible leather, easy to carry in the pocket, and will contain the following articles:

Paint and Varnish Factories.....by A. G. Patton
Clothing Manufacture .....by E. R. Hardy
Metal Workers .....by C. C. Dominge
Patent and Enameled Leather Risks...by H. G. Howe
Storage Warehouses .....by R. D. Owen
Breweries .....by J. M. Boylan
Theatres .....by C. C. Dominge
Cotton Mills .....by A. G. Wilbor
Soap Factories .....by E. O. Torbohm
Fur Industry .....by G. E. Stecher
Brickyards .....by T. C. Naulty
Candy Factories .....by J. D. Waite
Tobacco Industry.....by I. G. Hoagland

and others—about thirteen or fourteen articles all told.

READY FOR DELIVERY EARLY IN AUGUST, 1910.

PRICE.

500 copies	**$150.00**
100 copies	**85.00**
50 copies	**20.00**
One dozen copies	**5.00**
Single copies	**50 cents**

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The Weekly Underwriter

58 William Street,
New York, N. Y.

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HANOVER

Agencies in all the Principal Places in the United States.

Fire Insurance Company
OF NEW YORK.

Western Assurance Company

HEAD OFFICE: TORONTO, CANADA.
INCORPORATED 1851.
Hon. GEO. A. COX, President.
W. R. BROCK and JOHN HOSKIN, K. C., LL. D., Vice Presidents.
W. B. MEIKLE, General Manager.
UNITED STATES STATEMENT, JANUARY, 1910.

Assets	$2,877,303.87
Surplus in United States	839,268.07

The Columbian National Life Insurance Co. of Boston, Mass.

LIFE, ACCIDENT AND HEALTH INSURANCE
The Only Massachusetts Non-participating Company.

The New Columbian Policies are Unexcelled in Clearness and Liberality. Good Contracts and Territory for Good Producers.

ARTHUR E. CHILDS, President

COMMERCIAL UNION ASSURANCE Co.

LIMITED,
OF LONDON.
OFFICE:
Cor. Pine & William Sts., New York.

Caledonian Insurance Co. of Scotland

FOUNDED 1805
"The Oldest Scottish Insurance Office"
United States Head Office: Caledonian Building, 50-52 Pine St., New York

U. S. BRANCH STATEMENT, JANUARY 1, 1909

Assets	$1,967,934
Liabilities	1,393,015
Net Surplus over all Liabilities	$574,919

CHAS. H. POST, U. S. Manager.
R. C. CHRISTOPHER, Assistant U. S. Manager.

PHOENIX

ASSURANCE COMPANY, LIMITED, OF LONDON
(ESTABLISHED 1782)
LOSSES PAID, OVER - - - $200,000,000
HEAD OFFICE FOR THE UNITED STATES
47 CEDAR STREET, NEW YORK CITY
A. D. IRVING, JR., SECRETARY — LOUIS P. BAYARD, PERCIVAL BERESFORD } JOINT MANAGERS

HARTFORD LIFE INSURANCE COMPANY

CHARTERED FORTY-THREE YEARS

GEO. E. KEENEY, President. THOMAS F. LAWRENCE, Secretary

1909 Policy Contracts are Participating and Non-Participating. Annual or Deferred Dividends—Rates revised and made lower, Values based upon the FULL RESERVE. Desirable Contracts for Producers. Address—

Second Vice-President, Home Office, HARTFORD, CONN.

1825. THE 1910.

Pennsylvania Fire Insurance Company

OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,349,097.67
Surplus	2,233,426.43
Total January 1, 1910	$7,332,524.10

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

INCORPORATED 1851.

Berkshire Life Insurance Company

OF PITTSFIELD, MASS.

All Policies issued by the Company are subject to the Massachusetts Non-Forfeiture Law.

JAMES W. HULL, President.
W. D. WYMAN, Vice-Pres. and Treasurer. J. M. LEE, Actuary.
THEO. L. ALLEN, Sec. ROBT. H. DAVENPORT, Asst. Sec.
Agencies in all the principal cities of the United States.

THE NATIONAL LIFE, U. S. A.

Wants Good Producers for District and General Agents

A SPLENDID CHANCE

to grow with a Western Company more than forty years old, operating in thirty States and Territories.

WORK FOR YOURSELF!

We have a Special Proposition for 1910. Why not write us?

CHICAGO'S OLDEST AND STRONGEST COMPANY

Robert D. Lay, Secretary, 159 La Salle Street, Chicago.

A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS is unsurpassed for net low cost and care of interests of all members.

The Penn Mutual Life Insurance Company

OF PHILADELPHIA

On January 1, 1909, rates were reduced and values increased to full 3 per cent. reserve.

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NATIONAL CASUALTY DETROIT

NATIONAL CONTRACTS SATISFY THE AGENT

Territory open. Write for terms.

THE CONNECTICUT MUTUAL

That means the best life insurance to have and the best to sell. If you can sell life insurance, you can sell more of it for the CONNECTICUT MUTUAL.

Men of character and ability are invited to apply.

CONNECTICUT MUTUAL LIFE INS. CO., Hartford, Conn.

Please mention this paper

1860 50TH YEAR 1910

HOME LIFE INSURANCE COMPANY

OF NEW YORK.

GEORGE E. IDE, President

ASSETS, $23,626,018.63 LIABILITIES, $21,858,691.52 (Including Deferred Dividend Fund)

Dividend-Endowment Fund (Deferred Dividends)	$2,119,044.00
Net Surplus	1,767,327.11
Insurance in Force	92,532,583.00

The Record for 1909 shows the following GAINS:

Insurance in Force	$4,164,239.00
Assets	1,917,117.00
Deferred Dividend Reserve	148,581.00
Contingency Reserve (Surplus)	655,149.17

OLDEST IN AMERICA STRONGEST IN THE WORLD

The Mutual Life

Insurance Company of New York

Mutual Life Agents Make Most Money Because Mutual Life Policies Sell Most Freely

For terms to producing agents address:

GEORGE T. DEXTER, 2d Vice-President,

34 Nassau Street, New York, N. Y.

[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1. 1910

CAPITAL

$1,500,000

RESERVE FOR ALL OTHER LIABILITIES

8,222,018

NET SURPLUS

6,440,211

ASSETS

16,162,229

GERMANIA

FIRE INSURANCE COMPANY

Organized 1859 **NEW YORK**

Cash Capital	$1,000,000.00
Assets	$6,562,329.14
Net Surplus	$2,008,419.02
Surplus for Policy Holders	$3,008,419.02

HEAD OFFICE: Cor. William and Cedar Streets

The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1910	$3,470,509.30
Total Liabilities, except Capital	1,920,837.24
Capital	500,000.00
Surplus to Policyholders	1,549,672.06

F. F. BUELL, Special Agent, Troy, N. Y.

Provident Life and Trust Co.

OF PHILADELPHIA.

The Provident has been particularly distinguished for the development of a highly trained force of agents. The systematic instruction which its agents receive has resulted in their being recognized as representatives of exceptional knowledge of the business and of marked efficiency.

FOUNDED 1792

Insurance Company of North America

232 Walnut Street, Philadelphia

Assets, January 1, 1909 ..... $12,014,062.63

LIABILITIES—Reserved for Reinsurance and all other claims	$7,263,156.97	
Capital Stock	3,000,000.00	
Surplus over all Liabilities	1,750,905.66	$12,014,062.63

Agents in all the principal towns and cities.

EUGENE L. ELLISON, President.

T. HOUARD WRIGHT, Secretary. HENRY W. FARNUM, Assistant Secretary.

BENJAMIN RUSH, Second Vice President. JOHN O. PLATT, Assistant Secretary.

Surplus to policyholders, $4,750,905.66.

Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

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The Northwestern
Mutual Life Insurance Co. of Milwaukee

GEO. C. MARKHAM, President
A. S. HATHAWAY, Secretary

New Business Paid-For

1905	$ 90,334,038
1906	93,563,452
1907	102,233,634
1908	109,685,428
1909	113,716,188

Each year larger than any in the previous history of the Company.

Commenced Business 1858

INSURANCE MEN will note the significant increase in The Northwestern's new business during the past five years.

IMPORTANT FACTS relating to this business are shown by the following percentages:

	Expenses	Mortality	Interest
1905	12.15	67	4.73
1906	11.76	59	4.72
1907	11.81	58	4.76
1908	10.76	59	4.84
1909	10.63	54	4.85

It is capable of easy demonstration that The Northwestern is the best Company to insure in.

See The Northwestern's new (1910) policy contract with its Dividend Options, Paid-up and Endowment Options, Options of Settlement and the Premium Loan Features.

Issues Partnership and Corporation Insurance.

For further information or an Agency, address

H. F. NORRIS,
Superintendent of Agencies.

P 530

The Liverpool & London & Globe Ins. Co

ESTABLISHED 1836. ENTERED THE UNITED STATES, 1848

NEW YORK OFFICE:
WILLIAM AND PINE STREETS.

NEW ENGLAND, NEW YORK, PENNSYLVANIA, NEW JERSEY, OHIO, INDIANA, KENTUCKY, TENNESSEE, MARYLAND, DELAWARE, DISTRICT OF COLUMBIA, VIRGINIA, WEST VIRGINIA, NORTH AND SOUTH CAROLINA.

H. W. EATON, Manager.
GEO. W. HOYT, Deputy Manager.
J. B. KREMER, JR., T. A. WEED, } Agency Superintendents.

CHICAGO OFFICE:
203-205 LA SALLE STREET.

ILLINOIS, MICHIGAN, IOWA, WISCONSIN, MINNESOTA, MISSOURI, KANSAS, NEBRASKA, COLORADO, NORTH AND SOUTH DAKOTA, MONTANA, UTAH, WYOMING AND NEW MEXICO.

W. S. WARREN, Manager.
GEO. H. MOORE, Assistant Manager.
HUGH R. LOUDON, Deputy Asst. Manager.

NEW ORLEANS OFFICE:
CORNER CARONDELET AND COMMON STREETS.

LOUISIANA, MISSISSIPPI, ALABAMA, ARKANSAS, OKLAHOMA, GEORGIA, FLORIDA, TEXAS.

CLARENCE LOW, Manager.
J. G. PEPPER, Assistant Manager.
THOS. H. ANDERSON, Deputy Asst. Manager.

SAN FRANCISCO OFFICE:
444 CALIFORNIA STREET.

CALIFORNIA, NEVADA, OREGON, WASHINGTON, IDAHO, ARIZONA, ALASKA.

CHARLES D. HAVEN, Manager.
C. MASON KINNE, Assistant Manager.
JOHN W. GUNN, Deputy Assistant Manager.

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JUL 11 1910
CAMBRIDGE, MASS.

The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

How to reduce fire insurance expenses and leave brokerages untouched seems to be the problem which the New York brokers, with considerable feeling, have put up to the new Eastern underwriters' organization. It has its embarrassing features. The new rates of brokerage decided upon by the Fire Underwriters' Association cannot be put in effect in New York, Boston or Philadelphia until they have been adopted by the Boston Board of Fire Underwriters, the New York Fire Insurance Exchange and the Philadelphia Board of Fire Underwriters. In the New York organization the changes will require an unanimous vote of the members. It is known that some of the local agents have not received orders from their companies to vote in favor of the changes, although the companies are among those signing the agreement. It may be, therefore, that the new association will be compelled to face a situation which will require "excepted cities" to be named, as they are by the Western Union. In view of one address made at the last meeting of the association, in which it was declared that the association ought to have no "excepted territory," and which seemed to carry the meeting by storm, it is naturally a subject of speculation as to how the members will deal with such a condition. The brokers of New York are strong enough to compel consideration. The companies are stronger still if they are united, or measurably so.

THE New York Legislature adjourned its special session without heeding Governor Hughes' pleading for a revision and amplification of the investigation resolution so as to ensure the exposure of the corrupt practices of some of its members, and the resolution stands in its original form. So far as possible it will keep legislative corruption in the background, and make insurance the leading feature of the investigation. The committee appointed under the resolution organized on Thursday, and its composition will be regarded with special concern by the insurance interests to be affected by its conclusions. These are the companies other than life, but including industrial life. Of the eight members of the committee five are lawyers, one is a banker, another a merchant and the last a literary man, who has written popular novels, among them the story entitled "A Gentleman from Mississippi." The most conspicuous member of the committee is Mr. Merritt, the Republican leader in the Assembly. He served on the Assembly Insurance Committee of 1903, and another member, Mr. Colné, served on that of 1908 and 1909. Upon the whole, the committee appears to be composed of intelligent men, and insurance has nothing to fear from them if they are honest. Unfortunately, they have before them the example of a gentleman who got a start on the road to great fame and power by investigating insurance and making a noisy effort to reform it. His success may have the tendency to induce other investigators to see political preferment in a drastic attitude toward the insurance business. It is to be hoped, however, that the mere politician element in the committee is small, and that its strong men will approach the insurance branch of their inquiries with open minds. Insurance asks only fair treatment, and, having that, is confident of the result.

NOTWITHSTANDING the dignified and incontrovertible protest of the fire insurers embodied in the memorial of the National Board of Fire Underwriters, the Louisiana Legislature has enacted the Rating Board bill, and the Governor is expected to sign it. There has been a good deal written and spoken in the last few years by commentators on our institutions about the American tendency toward over legislation; the piling up upon the statute books of a mass of unessential laws, verbose and confusing in phraseology, and placing on the courts a great additional burden of labor in interpreting their bearing. The Louisiana law giving the State the power to control the business of fire insurance companies is an example of this, for it is wholly unnecessary, while creating a huge quantity of new government machinery. It makes a number of new offices and calls for a large expenditure of money, which must come eventually out of the insured property owners. It will not improve conditions, as the result of State interference with the business in Texas shows. The new law is in seventeen sections, and would, if reproduced in this paper, fill nearly six closely printed columns, the title alone consuming four hundred and seventeen words. This verbiage tells of the establishment of a "State Insurance Rating Board," composed of three persons—the State fire marshal, one citizen appointed by the Governor from the State at large, and another on the recommendation of a majority of the insurance companies transacting business in the State. It shall be assisted by a special attorney and a corps of clerks, and shall have the power to "fix reasonable rates of premium on fire, tornado and windstorm insurance, and prevent discrimination therein," subject to review and alteration by the courts on the complaint of insurer or insured. Penalties of fine and imprisonment for underwriters who violate the law are provided. Whether, as in Kansas, the companies will seek to test the constitutionality of the law, remains to be seen, but this increasing disposition by legislatures to put the fire insurance

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business under government management is a condition to be reckoned with very soon. Possibly it may become as widespread as railroad regulation, if it is not checked by the courts or by some concerted action of the fire underwriters.

Facts and Opinions.

The expected report of the New York State Insurance Department on the **examination** into the **irregularities** of management of the **Phenix insurance company** of Brooklyn under the late George P. Sheldon has been filed with the department by the examiners, and as soon as it is printed a copy will be sent by the Superintendent to the District Attorney of New York for such action as he may deem proper. The report covers a number of transactions which have already been made public, such as the large collateral loans to former Insurance Superintendent Pierce and certain deputies and examiners then connected with the department. which, although they were ultimately paid, were in violation of law. The examiners found persistent misstatements made in the annual reports to the department for several years. The surplus of the company on December 31, 1906, was actually but $286,477, though reported as $1,626,477; though reported for 1907 as $849,461, it not only did not exist, but the capital was impaired to the extent of $372,429. Similarly, though the company on December 31, 1908, claimed a surplus of $1,010,453, its capital was actually impaired to the extent of $126,167, a difference of $1,136,620. The present examination was made as of September 30, 1909, and the examiners found at that time a surplus above capital of $421,200, instead of $1,546,648, as claimed by the company in its quarterly statement as of that date. Among the transactions criticised are concealment by devious methods of the holding of the stock of an insolvent concern, the Council Bluffs Waterworks Company; the declaration of dividends to stockholders since the San Francisco fire on erroneous figures of surplus; a deception to the extent of $1,500,000 regarding the company's losses in that fire; the purchase of the company's stock with its own funds; the falsification of the books to cover losses, and large collateral loans made to President Sheldon without legal warrant. The report indicates that the other officers of the company were cognizant of most of the president's transactions, but aside from protests did not inform the directors of what was going on. Allusion is also made to the activities of President Sheldon in promoting and retarding legislation at Albany.

A special meeting of the **Insurance Brokers' Association** of New York was held Thursday at the Downtown Club, at which a large number of brokers were present to discuss the matter of the proposed decrease in brokerages now contemplated by the Fire Underwriters' Association. The association has hitherto been a somewhat exclusive organization, mainly for social purposes, but at this crisis of affairs it was felt that it should take strong action toward preventing, if possible, the proposed inroads on the brokers' income. Consequently a large number of applications for membership were approved, and a membership committee was appointed to make a campaign among the brokers not now members. The report of the special committee was received, after which Assemblyman James F. Hoey, representing the Thirteenth District of New York County, was presented. In the course of his talk he said that he introduced the original resolution in the Legislature calling for the investigation of insurance methods, which was afterward embodied in the general investigation resolution adopted by the Legislature. It is the intention of the committee to investigate commissions and brokerages as directed through the New York Fire Insurance Exchange, he stated, and that a large number of brokers and agents would be subpœnaed to give testimony. Robert C. Rathbone, 2d, of the firm of Rathbone & Sons, was chairman, and declared that many brokers were in favor of drastic action on the part of this association. It was decided to enlarge the special committee to twenty-five, and also to request a conference with the executive committee of the Fire Underwriters' Association. In case such conference is denied it is claimed that other measures will be decided upon later.

The fire loss of the United States and Canada for the month of June, as compiled by **the Journal of Commerce and Commercial Bulletin,** shows a total of $13,183,600. A comparison of the losses during the month of June with those of the same month in 1908 and 1909, together with the losses by months for the first half of those three years, follows:

	1908.	1909.	1910.
January	$29,582,000	$22,735,000	$15,175,400
February	18,489,700	16,131,000	15,489,350
March	16,723,300	13,795,400	18,465,550
April	26,009,000	19,345,300	18,091,800
May	15,181,150	17,360,400	18,823,200
June	19,512,000	14,435,900	13,183,600
Totals	$125,497,150	$103,803,000	$99,228,900

The total for the half year is over $4,500,000 less than the record for the same period in 1909 and more than $25,000,000 less than the aggregate for the first half of 1908, though in 1908 the Chedsea fire contributed a loss total of $10,500,000. Twelve fires caused a loss of $200,000 or over each, as follows: Denver, Col., sulphuric acid plant, $225,000; Seattle, Wash., warehouses and water front property, $384,000; Chicago, Ill., iron foundry and other, $300,000; Spokane, Wash., high school building, $250,000; Chicago, Ill., tannery, $320,000; Brooklyn, N. Y., lumber yards and schooners, $225,000; Paterson, N. J., furniture store and other, $502,000; Davenport, Ia., business block, $220,000; Penn Yan, N. Y., paper mills, $425,000. Our contemporary adds that "the first half of 1910 has been profitable to the fire underwriters, the rates having been fully adequate on the average, the only unfavorable features being harassing legislation, which has burdened the companies without benefiting the assured, and the drop in security values."

A communication on the subject of **commissions** has been addressed to **fire insurance agents in Georgia** by President Morris Harris and Secretary F. B. West, of the Georgia Local Underwriters' Association, in which they urge the agents to withdraw any commission pledges they may have made to the South Eastern Underwriters' Association, and to write to their companies vigorously protesting against their refusal to grant increased commissions. The communication is extreme in tone, but so far has not produced comment from company managers. It is as follows:

July 1, 1910. To the fire insurance agents of Georgia. Gentlemen—It is apparent that the moment has at last come that puts us in position to make a final and decisive stand on the subject of commissions. We have communicated with the presidents of other underwriters' associations in the States controlled by the South Eastern Underwriters' Association, and we are going to ask the agents to write a letter to every company represented in their office expressing in their own words that they are tired of the discrimination shown against us in the matter of commissions. Why should we not be paid as much for our services as others? Are we inferior agents? Don't we have to pay as much for the labor as others, and isn't our cost of living as great? Their reply is that they are not making any money in Georgia. How long do you think they would stay with us at a loss? Have you seen any sign of a missionary spirit among them? Do they act like philanthropists? No, they have thrown us down and will keep us down until we rise up and throw off the yoke. So write them freely and express the indignation you feel, and at the same time won't you also withdraw your pledge to the South Eastern, if you have one?

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This will not affect you in the least, but will show the companies that you mean business. There are 1,300 agents in Georgia alone, and you are obliged to know that if all these agents make a positive demand something is going to happen. You are earnestly requested to do this, not only for your own benefit, but for the good of the agents at large, and write us that you have done so.

The petition filed with the **Texas State Fire Rating Board** by the fire insurance companies requesting the modification or vacating of the order made by the board June 28, 1910, after reciting the objectionable points of the order, contains these paragraphs:

The carrying out of the orders of the State Fire Rating Board means a complete rerating of the entire State of Texas. This is a work of such magnitude as to appall those upon whom it is made obligatory. For nine months the companies have been engaged in the work, through their employed experts, of rating, surveying and inspecting the insurable risks of the State of Texas, and the work is yet only half completed. To order the rating part of this work done over again is imposing a tremendous task upon the insurance companies, and one which could only be accomplished after months of labor.

The expense of carrying out the orders of the State Fire Rating Board will be a heavy burden upon the insurance companies, as already the labor done in the endeavor to comply with the State Fire Rating Board law has cost the insurance companies fully $200,000, if not more, and the work of rerating, which will be necessary in carrying out the board's orders, will impose an additional expense of probably $60,000 to $75,000 to revise the rates already made and put into effect, which should not hastily be imposed upon the insurance companies.

In view of the foregoing facts, and the further fact that the State Legislature has been called to convene in special session by the Governor for the express purpose, as stated by him, of repealing the State Fire Rating Board law, it seems unreasonable and unfair to impose the burden above stated upon the insurance companies, when the Legislature may, within thirty days from the taking effect of the said orders as now contemplated, repeal said law entirely, and make null and void all the labor performed, and render worse than useless the great expenditure of money necessitated thereby.

This protest from the companies has brought about a postponement until July 11 of the order promulgated by the Rating Board.

Our Indianapolis contemporary, *Rough Notes,* comments on the **growth of the broker in fire insurance** from small beginnings to his present rather imposing stature. It says:

The broker, judging from current comment, is not in high favor with the National Association of Local Fire Insurance Agents that would, if it could, rid the face of the earth of him. But how effect such riddance is a nut hard to crack. He is so handy and has such long reach with both arms that, apparently, the only way to loosen his grip is to cut off his arms. Then the broker is a creature of growth, of which he does not appear to have attained either his full stature or strength. Not so very long ago he was very small, and the agent was the whole thing beside the broker, who was merely the agent's solicitor—employed now and then and more as the agency grew, until, instead of being dependent upon the agent for his position, the agent became more and more dependent upon the broker for his business. So, as it would seem, the boy broker, begotten of the agent, nursed, supported and educated by the agent until attaining full manhood and inheriting parental traits, he has developed his extensor muscles to a degree of effectiveness that in bouts with the paternal agent the broker wins so many points as to set the "old man" thinking for a chance to get in a knockout blow. Hence the wish on the part of many an agent, as quoted by an Eastern contemporary, "that there was not a broker in the insurance business." Altogether the fencing matches between the agent and the broker have become more interesting since the former takes the matter up with his companies and decides that there must be no favoritism shown whatever to the broker; that his reach must be curbed, and that he shall no longer pick in the agent's bailiwick the plums grown on trees cultivated by the agent. How will the companies umpire between the contestants, on both of which they lavish such fond affection as to excite public criticism?

The affairs of Harry B. Gardner seem complicated. He has retired from the presidency of the **St. Louis National Life,** and the purchase of 57,000 shares of its treasury stock by him and his associates has fallen through. The influence of the Missouri State Insurance Department is said to have brought about his resignation. The receiverships of the International Fire and the Continental Life of St. Louis, of both of which Gardner was secretary, have been made permanent. The receivers have removed from the fourteen room home offices heretofore occupied in the Syndicate Trust Building in Chicago, have rented the suite and are busy trying to collect the money due on unpaid stock subscriptions. The companies have received, according to the records, $298,959.95 in cash, of which $170,000 is said to have gone to Mr. Gardner, $42,000 to Congressman Harry M. Coudrey, and various other sums for expenses and salaries, leaving a balance of about $128,500, which the receivers have been unable as yet to locate. The cash in hand is $1,469.65. An order of the Circuit Court on Wednesday is to the effect that Mr. Gardner shall repay to the receivers the sum of $170,399.34.

One daily paper, at least, takes a reasonable view of the exactions of State governments upon insurance corporations and the desirableness of more **uniformity in the insurance laws** of the various States. It is the Hartford *Times,* which says editorially:

Uniformity of State insurance laws is easy to talk about, but hard to achieve. The matter is one of the topics under consideration at the meeting of insurance commissioners in New York. The insurance laws of the various States of the Union are a study in diversity, a problem in variety. They range all the way from sanity and reasonableness to material for the violent ward. In some States insurance companies are rated as desirable institutions, which, under proper supervision, are entitled to a fair chance, while in other States they are regarded as a lemon to be squeezed or as a cow to be milked. To meet the forty-six varieties of State insurance legislation inflicts a great hardship on underwriting companies. The conditions and exactions which some States impose are unjust, and are contrary to sound public policy. Seeking to fatten their treasuries, some States in the South and West pile upon insurance corporations financial burdens which nearly break the back, and which makes it almost impossible for the companies to remain and maintain their self respect. Uniformity of legislation would tend to simplify a complex and embarrassing situation. Agitation and discussion are useful as an educational force, but the difficulties in the way of securing uniform insurance laws are so many and so great that progress is bound to be slow.

By Chapter 668 of the laws of 1910 provision is made for the issuance in the State of New York of a **standard combination fire insurance policy,** provided such policy has the approval of the Superintendent of Insurance. The act of the Legislature became operative July 1. Superintendent Hotchkiss has sent a circular letter to a number of companies writing combination policies, making suggestions for their guidance in preparing such policies for filing with the department. The superintendent says:

The department for some time has had several combination policies before it. One objection to all of the forms is that the subject matter which the law now requires to be placed under one title is scattered throughout the policy. Another objection seems to be that most of the policies contain unnecessary provisions regarding suits or claims, or privileges of claimants under the policy. It is believed that the language suggested above is, in view of the provisions of the law and the standard policy, unobjectionable, and creates a status between the policyholders and the companies precisely as the law intends. The department will be guided by the above suggestions in acting on forms submitted for approval, unless it is evidenced to it immediately that a substantial objection exists against such proposed action.

The following members of the **Fire Underwriters' Association** have been appointed by President Henry W. Eaton to constitute the **executive committee** of the association: F. O. Affeld, manager Hamburg-Bremen Fire; George W. Babb, manager Northern of London; R. M. Bissell, vice president Hartford Fire; M. O. Brown, vice president Westchester Fire; J. D. Browne, president Connecticut Fire; E. H. A. Correa, vice president Home; A. E. Duncan, president Franklin Fire; C. W. Gerwig, secretary Teutonia of Allegheny; George C. Howe, vice president Niagara Fire; A. E. Larter, vice president American of Newark, N. J.; E. Milligan, vice president Phœnix of Hartford; John O. Platt, vice president Insurance Company of North America; F. W. Sargeant, president New Hampshire Fire; E. W. West; A. H. Wray, manager Com-

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mercial Union and Palatine Fire. The committee will decide the date on which the rules shall take effect and will choose its own chairman.

Speaking of the **operation of modern large fire insurance brokerage offices,** Mr. Robert C. Rathbone, of Rathbone & Sons, said: "The fire insurance brokerage business of today, is wholly different from that of a decade ago. We have on our staff a force of trained engineers, college graduates, who are constantly employed by us for the benefit of our customers in improving their risks. In numerous cases we have practically rebuilt car barns, garages, manufacturing plants, etc., in order to reduce rates and assist in fire prevention. This operates to the advantage of both insurer and insured. Such a service as this we cannot afford to maintain if our commissions are to be reduced as proposed. The cost of the service must hereafter be borne by our customers or we must dispense with it. This is one of the reasons why we are so strenuously opposing the present attempt to reduce our commissions."

It has been printed that the **Northern of New York** has withdrawn its signature from the constitution and bylaws of the **Fire Underwriters' Association,** and also that it has not so withdrawn. To get the truth of the matter Mr. James M. Marshall was asked about it, and said that he signed the tentative agreement at the first meeting with the understanding that at the second meeting an opportunity for a discussion of the various paragraphs would be had. He voted to adopt the articles at the second meeting, but on learning that the ruling of the chairman was that such vote amounted to a confirmation of the tentative signature he withdrew his vote. Thus the company now stands uncommitted to the agreement, but in a position to sign later if it so desires. Several other companies are said to have also withdrawn their votes for the same reason.

Insurance brokers and their solicitors might visit with profit the managers of **piano instalment houses.** The contracts on which pianos are sold for instalment payments invariably demand that the buyers shall keep the instruments insured for the benefit of the seller, as his interest may appear, and yet, with a few exceptions, the buyer rarely does more than to increase his general household goods policy by about the value of the piano. The buyer does not know that the adjuster will allow him only as much in settlement in case of a loss as he has paid in to the seller, and the seller takes no thought about requiring the buyer to bring him a special policy on the piano, with proper indorsements about payments in case of loss "as interest may appear." Other instalment houses would undoubtedly prove worth a visit on this subject.

The **Penn Mutual Agency Association** held its twenty-seventh annual meeting at Rochester, N. Y., last week and re-elected its old officers: Frank Marcoe, of Baltimore, president; Joseph A. Goulden, of New York, and William M. Banting, of Boston, vice presidents; Edward Dunham, of Philadelphia, treasurer, and James C. Biggert, of Pittsburg, secretary. There were a number of interesting papers read; among them one by H. C. Lippincott, manager of agencies, on "Allowances"; another by Hugh Willetts, of Atlanta, on "Field Conditions in the South," and others by J. T. Davis, of Philadelphia, on "Death Claims"; E. B. Neil, of Rochester, on "Art of Securing Applications," and A. B. Nell, of Rochester, on "How to Secure Business." There were a number of speakers, Colonel Goulden being conspicuous among them.

A notice from F. H. Osborn & Co., of 134 Monroe street, Chicago, of the date of June 30, gives the news of the **appointment** of the firm **as general agents** of the Columbia insurance company of New Jersey, Union Marine insurance company, Ltd., of Liverpool, the Mannheim insurance company of Mannheim, Germany, for automobile business in five States and for ocean and inland marine business, rail transportation, etc., for the above companies; also for the Fireman's Fund insurance company of San Francisco for the territory surrounding the Great Lakes and the Central West. The appointment became effective July 1, the firm succeeding the general agency of Orr & Wall, both members of which firm are going to New York to become partners in the firm of F. Herrmann & Co., 37 Wall street.

The **Southland Life insurance company** of Dallas, Tex., which started business in April of last year, has been growing by leaps and bounds, and its new twelve story home office building in Dallas is now well under way. The new business has averaged a million a month since the company entered the field, a record which few new companies have been able to equal. President John T. Boone is a member of the Boone family of Missouri, which has been influential in the life insurance business for the past thirty years, and he has been capably assisted in the work of organization and getting the company under way by Vice President James A. Stephenson, who is regarded as one of the best life insurance men in the country. A high class corps of agents have made possible the company's business record.

Ambitious plans have been made by two new Georgia companies, one of which is the **Andrew Jackson insurance company,** with headquarters at Athens, the other being the **Cosmopolitan Life insurance company,** with home offices at Atlanta. The Andrew Jackson is being promoted by J. A. Darwin, who is well known in the life insurance business, and the proposed capital is $5,000,000. The company also proposes to write accident, health, liability and casualty insurance, and wants to start business this fall. The Cosmopolitan is to have a capital of $1,000,000 and a surplus of $250,000, and intends to operate on a legal reserve basis and cultivate the Southern and Western States particularly. The company will wait to begin business until the entire capital stock has been subscribed.

By courtesy of the local branch of the Sun Insurance Office of London there has been added to THE WEEKLY UNDERWRITER library this week a copy of **"The Early Days of the Sun Fire Office,"** by Edward Baumer, late manager and secretary of the company. It is a handsomely printed history of the important events in the existence of the Sun, and contains many interesting pictorial reproductions. Maps of London in early years, including one of the area of the great fire of 1666, are shown, and copious extracts from the minutes of the early directors of the company's affairs are given. The book was prepared on account of the recent two hundredth anniversary of the company, and as the edition was limited the favor of a copy is the more appreciated.

The following list of **committee changes** was announced by Manager Willis O. Robb, of the New York Fire Insurance Exchange, July 1: W. B. Ward, of Ward & Crawford, retires from the arbitration committee and is succeeded by D. T. Walden, of the agency of Whilden & Hancock; Lyman Candee, of the Globe & Rutgers, retires from the brokerage committee and is succeeded by Arthur Lenssen, Jr., of the Hamilton Fire; F. H. Way, of the Williamsburgh City Fire, retires from the executive committee and is succeeded by

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Charles S. Conklin, of the Assurance Company of America; G. W. Montgomery, of Montgomery & Fountain, retires from the rate committee and is succeeded by F. A. Pawley, of the agency of F. A. Pawley.

The **new typewriter form** prepared by the committee of the New York Board of Fire Underwriters was this week submitted to Insurance Superintendent Hotchkiss. A memorandum from the committee accompanying the form calls the superintendent's attention to the fact that the policy is free from any attempt to inject anything not exactly in conformity with the law, and that the form has been drawn with a view of eliminating all confusion, and at the same time is so arranged that the policy itself, the daily report and the office copy may be made by the same operation with the aid of carbon sheets, thus avoiding all possible errors. The committee is hopeful that the superintendent will approve the form as submitted.

The **criticism of the fire insurance business** made **by George H. Holt** at the May hearing of the Illinois Fire Insurance Commission did not voice the sentiments of the Chicago Association of Commerce and it has been repudiated by the association. Mr. Holt is president of the Policyholders' Union, and made bitter attacks on insurance methods, causing the insurance men in the association to send a letter to its president saying that if the association accepted Mr. Holt's views they must resign. President Stilwell, of the association, sent the commission a letter repudiating the address and asking that the records be corrected to show that his organization was not responsible for it.

The Nebraska Insurance Department refused to license the **Commonwealth Life of Nebraska** if over 15 per cent. of the funds collected had been used for promotion purposes. On promise of a general reorganization Auditor Barton agreed to license it under new management, although nearly 20 per cent. had been used for that purpose. Sherman Saunders will succeed E. M. Fairfield as president, A. D. Marriott will succeed A. B. Hunt as treasurer, and Franz Nelson will succeed Van B. Lady as secretary and general manager. The proposed merger with the Royal Indemnity Company has fallen through.

A tendency is evident on the part of companies writing **sprinklered risks** to place more reliance than heretofore on one-source equipments. Many plants will equip if they can get satisfactory credits on a one-source equipment, as the use of a supply of city water is much less expensive than the installation of a tank. The Indiana mutuals have been capturing many risks by accepting single-source equipments It is also noticed that the New England mutuals are not so keen on their insistence on coinsurance as heretofore, which materially increases their competition with the stock companies.

The action of the **Iowa** Association of Local Fire Insurance Agents in deciding not to ask for the repeal of the **anti-compact law** in that State will not deter President George J. Delmege, of the Century Fire of Des Moines, from continuing his fight for the repeal of the statute. State regulation of rates, as proposed during the last session of the Legislature, is a step in the right direction, Mr. Delmege thinks. He would have the rate regulation in the hands of the companies themselves, with the State officials present at each discussion of schedules.

The annual meeting of the **National Fraternal Congress** will begin at Detroit August 16, followed by the annual meeting of the **Associated Fraternities of America** at Atlantic City on August 22. An effort will be made to bring about a better understanding between the two organizations, and it has been arranged that the Western delegates to both conventions shall travel in the same special train; the leaders of the latter organization to remain over in Detroit and attend the convention and confer with the executive committee of the Fraternal Congress.

The Supreme Court of Kansas has handed down a decision which is likely to have a wide effect on the **powers of the local agent.** The court declares that whenever a soliciting agent for an insurance corporation has authority to solicit insurance, take applications and countersign the policy therefor, any waiver by him of any representation in the application, which is within the ordinary scope of the insurance business, and his lack of authority to make such is not known to the assured, is binding on the insurance company.

The final arguments in the **Prudential surplus suit** were heard by Vice Chancellor Howell at Newark on Thursday, and he will file his decision later. Robert H. McCarter, of the attorneys for the compaining stockholders, had the closing opportunity to impress upon the court that the $16,000,000 surplus in question belonged entirely to the stockholders and not to the policyholders, quoting from the testimony of President John F. Dryden to that effect before the investigating committee of 1906.

At the meeting of the Penn Mutual Agency Association at Rochester last week the feature of the closing session on Thursday night was the **presentation to Mortimer H. Miller,** the Rochester general agent, of a handsome silver tea service in recognition of the hospitality which had been accorded the visitors through the instrumentality of Mr. Miller and his associates. A well worded resolution of appreciation accompanied the gift.

A New York fire insurance broker of some prominence said with regard to the meeting of brokers on Thursday: "I did not attend the meeting. Among those signing the call were **brokers** who are evidently **receiving too high commissions** already, as they are known to be dividing them with their customers, which is in violation of their pledge to the Exchange and is dishonorable competition with their fellow brokers."

The following have been appointed **assistant examiners for the New York State Insurance Department:** Arthur E. Peat and Charles A. Kirschkessner, of Brooklyn; Ernest Willvonseder, of Westchester; John H. Kirker, Jr., and Joseph H. Middleton, of Albany, and W. Walter Streeter, of Jersey City. The increased duties put on the department through recent legislation made an increased force imperative.

The **Argus Insurance Directory of Chicago** for 1910-11, the fortieth annual publication of the book, was received this week, and is as full of useful information as ever, brought down to date in handy style. The price, $1, makes it available for all who require information about insurance agents and agencies in Chicago. It is published by the Rollins Publishing Company, 906 Royal Building, Chicago.

The **Bankers Life of Des Moines** and several other companies are protesting against their Nebraska tax assessments. The Bankers Life is said to have had its rating raised from $3,000 to $803,000, the new figures including capital stock, surplus and reserve. The company is contending that the

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figures were changed June 11, eleven days after the law required completed schedules to be filed.

Chips on the shoulder seem to be fashionable in Texas. Agents of the **Globe and Rutgers,** recently denied a license in that State because of its failure to reinsure all its policies larger than 10 per cent. of its capital, are now threatened with prosecution by Insurance Commissioner Hawkins if they attempt to get business in that State by cutting rates.

A new company incorporated at Butte, Mont., has taken the name of the **National Life insurance company,** with a proposed capital of $500,000. The incorporators are: J. D. Slemons, A. T. Morgan, Patrick Wall and J. B. Kremer, of Butte; W. E. Edwards, of Oklahoma; C. W. Briggs, of Amarillo, Tex., and L. P. Morgan, of Dallas, Tex.

The **Equitable Life of San Francisco** has completed its organization and will be ready for business in a short time. Half the authorized capital of $500,000 has been paid in. At a recent meeting of directors Frederick J. Combe, of Brownsville, was made president, and Harold Schramm, of San Antonio, was elected secretary.

The rules of the **Western Insurance Bureau on commissions,** which went into effect in Illinois and Indiana July 1, will be extended to the other States as rapidly as possible. The accession of a number of Iowa State companies is now expected, and if that is accomplished Iowa will probably be the next State taken up.

The business of the **Excelsior Fire insurance company** has been wound up by Referee William Klein, whose report shows that the company had a balance in bank of $4,414, of which $750 is owing on a loan. The capital stock of $100,000 was said to have been mostly composed of money borrowed by the promoters.

The work to be done for the Equitable by W. C. Culkins, until lately vice president and general manager of the Columbia Life of Cincinnati, is said to be a development of **monthly payment business** among the working classes. Mr. Culkins is to open offices in the Union Trust Building at Cincinnati.

The charges against **Fire Chief Croker,** of New York, for mismanagement in the Washington street fire of June 6, have been sustained by the committee appointed by the fire commissioner to investigate them, and Mayor Gaynor will take action. It is not expected that he will remove the chief.

A record of **twenty years** of continuous service **with the New York Life** was completed last week by Alexander S. Browne, inspector of agencies in the company's Northeastern department. This is the position President Kingsley held at the time Mr. Browne came with the company.

The **insurance on the University of Arkansas,** amounting to $100,000, has been given to Cravens & Smith, of Fayetteville, on a competitive bid of 74 cents for three years. The line has previously been divided among the local agents of Fayetteville at a rate of 2 per cent. for three years.

The entire $18,000,000 line of insurance placed by the **Philadelphia Rapid Transit Company** this week went to the Lloyds of London at a rate said to be 40 cents. The American underwriters, as stated last week, asked a rate of $1.

The appointment of J. S. Frelinghuysen as the United States and Canada representative of the **Omnium Insurance Corporation of London** has been announced. The company has a capital of $1,000,000 and a surplus of $500,000, and will take on surplus lines only for the present.

Legitimate organization expenses, in the opinion of Insurance Commissioner McMaster, of South Carolina, should not exceed 5 per cent. of the capital stock, and he will hereafter scrutinize the affairs of companies seeking to do business in his State on that basis.

The **Loebs' Insurance Agency Company** of Chicago has been incorporated with $25,000 paid in capital to do a life, fire, accident and general brokerage insurance business. Leo A. Loeb is to be president, and the directors and other officers will be elected July 1.

The 1910 **Insurance Directory and Business Chart** of the cities of Baltimore and Washington and the States of Maryland, Delaware and West Virginia, published by the Baltimore *Underwriter* for James H. McClellan, is now ready for distribution at $1 per copy.

Notwithstanding the safety and sanity of the **Independence Day** celebration **in Chicago,** the fire department of that city made a new record in responding to 160 calls. In 1904 135 alarms were turned in on July 4, and last year there were but fifty-six.

The **Calumet Fire of Chicago** has closed its New York general agency, and all agents in this territory will report direct to the home office. As stated last week, A. W. Haight, former Eastern manager, will resume his insurance business in Syracuse.

The National Insurance Company is being organized at Dallas by representatives of the Anti-Saloon League and proposes to **insure the lives of total abstainers** in a special class and with a 10 per cent. reduction in rates.

It is **not the Phœnix of London** that is offering a combined fire and tornado rate on farm business at $2.25 for five years. This company does not write tornado business anywhere, and its farm business is confined to a few localities.

The **Iowa life insurance companies** have increased their deposit with the State Auditor to protect their reserves by over $5,000,000 during the past year, the amount of securities in his hands now being over $40,000,000.

Practically all the fire insurance companies doing business in Michigan have advised Insurance Commissioner Barry of their **compliance with** the 10 per cent. policy limit clause in the **Michigan insurance laws.**

The **Western States Life** has secured Frederic S. Withington as resident actuary. He has been consulting actuary at Des Moines, and will arrange to complete his existing contracts with companies.

The New Mexico Insurance Department is urging a State **fire marshal law** for that State. It is **desired** that the marshal have authority to enforce improvements and to remove menacing defects.

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Exceptions to the report of Edward Rapallo, a special master appointed by the court to audit the claims against the **Mutual Reserve Life,** if there be any, will be heard August 5.

The **Central National Fire of Chicago** intends to add $100,000 each to its capital and surplus soon. The new capital and surplus will then be $300,000 and $280,000, respectively.

The **reduced commissions** will not go into effect **in Oakland and Portland** until January 1, by special act of the executive committee of the Pacific Coast Board.

The semi-annual meeting of the **Chicago Board of Underwriters** will be held July 14, the annual meeting of the patrol subscribers taking place at the same time.

The Arkansas Insurance Department has licensed the **Superior Lodge Degree of Honor, of the A. O. U. W.,** to do a fraternal business in that State.

On September 1 **A. C. Washburn,** actuary of the Hartford Life, will become associate with Actuary Morgan Lee, the veteran of the Berkshire Life office.

The annual convention of the general agents of the **Equitable Life of Iowa** will be held at the Auditorium Hotel in Chicago August 16-18.

The application for a license for the **United States Lloyds of New York** has been refused by Insurance Commissioner Hawkins, of Texas.

An examination of the Continental and Niagara Fire insurance companies by the New York State Insurance Department is in progress.

The **decision** of Judge Weir **in the Indiana anti-compact cases** will not be announced until after his return from Europe this fall.

The **Missouri State Life** seeks to do business in California, having appointed J. A. Riley, of Patton, to be its general agent.

The **Scranton Life** has applied for admission to California, where B. A. Garlinghouse will act as general agent.

The Minnesota Grand Lodge of the Ancient Order of Druids has decided to **abandon its insurance feature.**

The **Northwestern National Life** will have a meeting of its agents at the home offices in Minneapolis July 12-14.

Kansas farm rates have been materially **reduced** recently by mutual agreement among the companies.

The **Georgia Life** has made application for admission to New York State.

Personal.

AGENCY APPOINTMENTS.

Commonwealth of New York: P. J. Moriarty, special agent in Ohio and Michigan.

Spring Garden of Philadelphia: David Gugenin, president of the Equitable Fire of Charleston, special agent for South Carolina.

Westchester: E. R. Booker, special agent for Virginia and North and South Carolina, with headquarters at Farmville.

Mr. E. G. Letzkus has been appointed manager of the liability department of the Philadelphia Casualty Company. Mr. Letzkus has been in the continuous service of the company since the year of its inception, barring a short interval, and has had a general experience covering both office and field work. Since February he has had temporary charge of the liability department at the home office.

Mr. John J. Martin, formerly superintendent of agencies of the Liverpool and London and Globe insurance company, died at Stamford, N. Y., on Saturday. He retired December 31, 1907, under a pension, after having been in the service of the company for thirty years. He had been suffering for some time from a bronchial trouble.

Mr. Morton E. Weldy, dean of the law department of the Highland Park College, has been appointed claim superintendent of the Bankers Accident of Des Moines. He succeeds Frank F. Bates, who becomes manager of a new reinsurance department.

Mr. Charles A. Craft has been appointed underwriting manager of the Pacific States Fire insurance company of Portland, Ore. He has been Northwest manager of the fire insurance department of Johnson & Higgins, of New York city.

President Cochran and Vice President Baker, of the Pacific Mutual Life, are expected in New York next week. They are stopping over in Chicago, and met a number of their Western and Chicago agents at a dinner Friday night.

Mr. Walter W. Conklin has resigned as Wisconsin State agent of the Queen, taking effect July 1, to become a partner in the Milwaukee local agency of Hackett & Hoff, succeeding the late E. B. Hackett.

Mr. Wilfred W. Mack, formerly assistant editor of THE WEEKLY UNDERWRITER, now in a responsible position on the *Insurance Field*, has been spending the week in New York.

Mr. Charles M. McCoy, of Butte, has been appointed deputy auditor, with the title of Deputy Insurance Commissioner of Montana, assuming his duties from July 1 last.

President Henry Evans, of the Continental and Fidelity-Phenix Fire insurance companies, arrived home from Europe Wednesday morning on the Oceanic.

Mr. Richard A. Thompson, of Baltimore, manager of the burglary insurance department of the Maryland Casualty Company, was in New York this week.

Mr. A. T. Jones, of the Wisconsin Inspection Bureau, has been appointed special agent of the Liverpool and London and Globe in Wisconsin.

Mr. E. E. Hall, of New York, has been appointed general agent of the State Fire of Nebraska for New York outside the metropolitan district.

Mr. James Michelstetter, of Milwaukee, has been appointed Western superintendent of agencies for the Peninsular Casualty Company of Florida.

Mr. Arthur Langham Johnson, of Louisville, has been elected secretary of the Kentucky Board of Fire Underwriters.

Mr. Charles E. Goad, known as a maker of insurance maps of British and Canadian cities, died at Toronto recently.

United States Manager J. J. Guile, of the Sun Insurance Office, is expected home from Europe next week.

Mr. Charles E. Hopkins has resigned as Chicago manager for the United States Life.

Casualty and Surety Insurance.

The **resignation of** Chief of Detectives Aquila J. Pumphrey, one of the best known detectives in the country, and for ten years at the **head of the Baltimore detective service,** was forced Tuesday because it had become known to the department heads that he was being paid by the United States Fidelity and Guarantee Company for special work after hours. President John R. Bland, president of the company, was much surprised, and gave out this statement:

It is a shame that Detective Pumphrey's resignation should have been requested because he rendered service to the company of which I am president. The action of the board of police commissioners in Mr. Pumphrey's case has seriously interfered with the conduct of the business of one of the most important concerns in this city. Mr. Pumphrey assisted us in the management of our department of insurance against burglars. This is one of the fourteen departments of our company. He gave us valuable information about crooks and burglars, and assisted us in recovering stolen goods. He is the best detective in Baltimore, and one of the best in the country. We sent for him. He did not offer his services to us. I cannot see how he has committed any moral or legal wrong in giving us his services when not on duty. I cannot see that we have done wrong in employing him or in paying him for work done for us.

Captain Pumphrey said:

Mr. John R. Bland is my personal friend. Some time ago he requested me to install a certain system for him in reference to burglars, etc. I did this work outside of my office hours, did it alone, and in no way do I consider that I have committed any wrong. I admit that I did the work, and that I was paid for it.

The **Ætna Life** has issued a **new accident policy** which not only enlarges the benefits but makes them retroactive to present policyholders, indorsements having been forwarded for attachment to policies already in force. The new wording provides for the payment of the principal sum in case of a total disability of the injured which within two hundred weeks from the accident results in death or loss of both hands, both

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feet, both eyes, one hand and one foot, one hand and one eye, or one foot and one eye, and for payment of one-half the principal sum in case of the loss, as above, of one hand, one foot or one eye. Total disability not resulting in any of the above losses entitle the insured to weekly indemnity as long as he shall be so incapacitated, and half benefits shall continue during ensuing partial disability not to exceed twenty-five weeks. Double indemnities are provided for accidents occurring while the insured is on public carriers or elevators, or by lightning, collapse of walls, steam boiler explosion, tornado or cyclone. Beneficiary insurance for accidents mentioned in the last preceding sentence is included as per the schedule given, and hospital indemnities are added. The increased benefits apply to all accidents on and after June 1.

Following the meeting of liability insurance men on Wednesday, at which an attempt was made to find out something about the coverage of the **new liability laws in New York State** which go into effect September 1, one of those present stated that while the legislators may have had a fine idea of what they were enacting into law men who had been in the business for years are having all kinds of trouble to ascertain the extent of the ramifications of the new statute. Added to this confusion is the strong probability that the next Legislature will further amend the liability laws. A committee of five was appointed to secure competent legal forecasts of probable court interpretations of the provisions, and another committee was named to draft standard policy forms for use after September 1. As to the new rates, it was believed by some of the underwriters that rates must in some cases be advanced as much as 1,200 per cent. The general opinion seemed to be that the liability laws should be placed on some permanent basis as quickly as possible.

Says *Life*, speaking of **ready made bail bonds:** "Instead of carrying about the country a million dollars in his inside pocket, and furnishing temptation to adventurous minds, the automobilist now carries with him a ready made bail bond, suitable to offer a magistrate in case of arrest for manslaughter, speeding, damages to competitive vehicles, or other incidents of rapid transit. These bonds are issued by various surety companies, are good in several States, ordinarily for $1,000, and are garnished with detachable coupons, to be filled out as one goes along and left when necessary with magistrates. This seems a grand idea and worthy to be extended. Burglars should have bonds like these—their business being liable to interruptions and delays with the police—also dames of the pavement, convivial undergraduates of colleges, members of President Taft's Cabinet, and all other characters liable to be rated as suspicious."

The ruling of Insurance Commissioner Hartigan, of Minnesota, that **accident and health policies must be also signed by the insured** has caused something akin to consternation among companies writing this class of business. The commisioner holds that inasmuch as the copy of the application in the policy is regarded as a "schedule of warranties" the applicant must sign in order to make the warranties effective. If this ruling is made universal among the States it will tend to revolutionize methods of writing health and accident business.

Following charges of irregularities in the management of the affairs of the **Enterprise Casualty Company of Philadelphia,** an order was granted by Judge Holland on July 5 temporarily enjoining the stockholders from holding a meeting and from disposing in any way of the assets of the company. The suit was brought by dissatisfied stock purchasers, who declared that things had been misrepresented to them. Later a meeting of stockholders was held, at which it was decided to wind up the affairs of the company, and a committee consisting of James D. Kelly, Winthrop Smith and W. E. Bernard was appointed for that purpose.

The *Insurance Field* says that there was a "conflagration" in **sheep insurance** near Petersburg, Ind., some weeks ago by which all the assets of a farmers' mutual sheep insurance society were wiped out. "There was $300 in the treasury one night, but next morning one of the members discovered that dogs had broken in and killed twenty-nine of his sheep. This exhausted the funds, because the insurance was against that special hazard, and the assets were called 'the dog fund.' A lot of dogs will now be killed in preparation for a new assessment."

The Continental Casualty of Chicago has paid what is probably the largest amount ever given as **indemnity on the life of a railroad freight brakeman.** Jesse McPherson was a brakeman on the Santa Fé road and lived at Raton, N. M. He had been carrying a $1,000 policy for some time and it had an accumulation of $100 extra benefits. These were doubled in consequence of his death in a wreck which happened in February last. The company paid to his beneficiary the sum of $2,200 the day after proofs of death were received.

An announcement of interest in casualty insurance circles is that of the coming of F. H. Kingsbury from Scranton to be a member of the home office staff of the **United States Casualty** Company about August 1. Mr. Kingsbury was one of the organizers of the Pennsylvania Casualty at Scranton, and is secretary and a director of the company. He will give attention to the liability department of the United States Casualty. His acquisition to New York insurance circles is a matter of pleasure to all who know him.

The **Mexican** Government has awarded its entire **fidelity business** to the National Surety and the London Accident and Guarantee Company, the latter getting 20 per cent. of the contract. The American Surety, which held the business last year, lost it this year on bids in which the difference was but 2 cents. The contract involves about $100,000 in premiums.

The **surety for the architect** in the Harrisburg State Capitol cases has been changed, on application of counsel for J. M. Huston, from the Title Guarantee and Surety of Scranton and the National Surety to the Pacific Coast Casualty Company. The bond amounts to $64,000, and is believed to have been changed on account of a change of terms.

The special committee, headed by Vice President Joel Rathbone, of the National Surety, which has been **investigating cotton conditions** in the South with a view to the formation of a plan for guaranteeing cotton bills of lading, will return early next week, and after it reports some definite announcement may be expected.

The **German Commercial Accident** is writing a new "limited accumulative accident and health policy" which sells at $5 per year, regardless of sex or occupation. The principal sum covered is a minimum of $2,000 with maximum of $3,000 and a provision of $15 weekly indemnity for accident or sickness. Sounds good.

While crossing the Nevada desert last week Charles S. Davidson, an engineer of Berkeley, Cal., perished. He had life

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and accident insurance to the amount of $20,000, one policy for $5,000 **insuring against death from sunstroke,** heat prostration or similar affliction.

The well known **W. M. Byrne agency at St. Louis** has resigned the general agency of the National Surety because the Maryland Casualty, for which it has been general agent for eleven years, is now writing fidelity and surety business.

The casualty companies have been notified that they must submit all **proposed standard policy forms** to the New York Insurance Department by August 15. They will be passed on not later than October 15.

The **Massachusetts Bonding Company** is considering the advisability of increasing its capital and taking up the casualty lines.

The **New Era Accident Company** has been organized at Fond du Lac, Wis.

Insurance Legislation.

Georgia.

ATLANTA, July 5.—House Bill No. 845, introduced by Pickett, of Terrell, and referred to the General Judiciary Committee, proposes to regulate the deposit by insurance companies of securities with the State Treasurer, so as to give to such companies the option to deposit with the State Treasurer as much as $250,000.

Louisiana.

BATON ROUGE, July 5.—The Barrett bills in the Senate have been indefinitely postponed. The Byrne rating board bill has passed the Senate.

BATON ROUGE, July 6.—Senate Bills 105, 106 and 107, by Barrett, have been indefinitely postponed. They concerned the liability of employers for injuries to employees. It was realized from the beginning that these bills could not be passed at this session of the Legislature. They were introduced simply for political effect.

The Richardson Anti-Trust bill has already been indefinitely postponed by the House.

The radical effects of the Byrne rating board bill can be materially lessened by the appointment to the board of conservatively inclined business men. Governor Sanders seems to favor this course and the insurance interests should urge it.

The Legislature will adjourn on Thursday this week.

Miscellany.

The New York Legislative Committee of Investigation.

The following is the composition of the committee of three Senators and five Assemblymen of the New York Legislature to investigate the charges of corrupt practices by members of the Legislature, and also "the business methods, operation, management, supervision and control of all insurance companies other than those doing a life insurance business, including fire insurance exchanges and State and local boards of fire underwriters, and the relation of such companies, exchanges and boards with legislation, including industrial life insurance."

The information regarding the personnel of each of the members of the committee has been taken from the legislative "Red Book" for 1910.

Victor M. Allen, Republican, representing the Twenty-ninth Senatorial District (Rensselaer County). Born at Petersburg, N. Y., July 14, 1870; educated in the Hoosick Falls High School and later at Columbia College. Was in the publishing business for some time, and later organized and is now president of the Taconic Valley Bank, Berlin. Is member of the Masonic fraternity. Was defeated in 1906, but elected in 1908.

Alexander Brough, Republican, representing the Eighteenth Senatorial District (New York County). Born in Glasgow, Scotland; moved to Providence, R. I., when a boy; educated in schools of that place, and was graduated from Amherst with the class of '87, and from Columbia Law School in 1889. Lawyer at 160 Broadway, New York city. Elected to Assembly in 1907 and to Senate in 1908, defeating Joseph S. Schwab.

Robert F. Wagner, Democrat, representing the Sixteenth Senatorial District (New York County). Born Prussia, Germany, June 8, 1877. Came to America when eight years old. Educated in the New York public schools, selling papers out of school hours to maintain himself. Was graduated from City College of New York in 1898 with the degree of B. S., and from the New York Law School in 1900 with the degree of LL. B. Is practicing law in New York and is active member of several fraternities and societies. Elected to the Assembly in 1905-6-7 and to the Senate in 1908.

William W. Colne, Republican, representing the Eleventh Assembly District of Kings County. Born at Washington, D. C., February 17, 1863. Attended Georgetown University. Came to Brooklyn in 1881, and was connected with the Panama Canal Company as assistant purchasing agent from 1881 to 1899. Is a member of the firm of Colne & Co., of New York and Paris, engaged in the sale of foreign and domestic patents. Elected to the Assembly first in 1905, and served on the Assembly insurance committees of 1908 and 1909.

Frank L. Young, Republican, representing the Third Assembly District of Westchester County. Born at Port Byron, Cayuga County, October 31, 1860, and has resided at Ossining for twenty-one years. Educated at Oakwood Seminary, Union Springs, N. Y., and at Haverford College. Was graduated from Cornell University in 1888, after which he became instructor at Mount Pleasant Military Academy at Ossining, meantime studying law in the New York Law School. Was admitted to the bar in 1892, and has been corporation counsel at Ossining for over five years. Is member of numerous clubs and fraternities. First elected to the Assembly in 1908.

Frederick R. Toombs, Republican, representing the Seventeenth Assembly District of New York County, is a son of Samuel Toombs, a well known author, and was educated in the New York University and New York Law School. Sent to Washington by a newspaper syndicate to report the Payne-Aldrich tariff bill contest in 1909, he wrote a nine column review which was printed in hundreds of newspapers. Is author of "A Gentleman from Mississippi" and other writings. Was member of the Seventh Regiment of the National Guard of New York for four years. Is member of several influential political clubs. Has served in the Assembly during 1907-8-9-10. Was member of the international jury of awards at the St. Louis Exposition.

Edwin A. Merritt, Jr., Republican, representing the Second District of the County of St. Lawrence. Born at Pierrepont, N. Y., July 25, 1860, and is a son of Gen. E. A. Merritt, who was at one time Collector of the Port of New York, and later consul general at London. Graduate of Yale in 1884, and served one year as deputy consul general at London in 1885. Is a lawyer, and first elected to the Assembly in 1902. Served on the Assembly Insurance Committee in 1903. Was member of the special committee on education, whose work re

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sulted in the appointment of Andrew S. Draper as first commissioner of the State Department of Education; also of the Stevens committee of 1905, which brought about the 80 cent gas legislation for the city of New York; also of the committee in 1908 to investigate the debt limit of the city of New York, and was a member of the Hudson-Fulton Commission in 1909. Was made Republican leader in the Assembly in 1908.

James A. Foley, Democrat, representing the Twelfth Assembly District of New York County. Born in New York in 1882, educated in the public schools and graduated from the College of the City of New York in 1901 and the New York Law School in 1903. First elected to the Assembly in 1906. Was a member of the Lake Champlain Tercentenary Commission.

The committee met at the Murray Hill Hotel Friday at 1 o'clock and elected Assemblyman Merritt to be chairman and Senator Brough vice chairman. M. Linn Bruce was chosen as counsel, Walter Moses will be secretary, and Charles R. Hotaling will be sergeant-at-arms. George M. Shotwell was selected as stenographer. Adjournment was taken until July 26 at the same hotel, and in the meantime the counsel will be busy with matters to come up before the committee. An assistant counsel will be selected by the chairman, vice chairman and counsel. So far no affidavits have been presented to the committee.

New York Stock Selling Offices of Projected Insurance Companies Investigated.

(*New York Commercial of Friday.*)

Stock selling offices of insurance companies which are in course of promotion were visited yesterday by examiners of the New York Insurance Department to start examinations under the law recently enacted in this State enabling the Superintendent of Insurance to inspect the books and records of proposed insurance companies selling stock in this State. The department sent several men to get into the offices of those concerns whose charters were granted by other States.

This is the first time that the Insurance Department of this or any other State has had the power to take cognizance of corporations before organization. Ever since 1905, when the attention of the public was called to the huge assets of insurance companies, promotions of all kinds have been going on all over the country. A large number have been more or less fraudulent, and large sums of money have been taken from investors in concerns which have, sooner or later, gone into the hands of receivers, while the promoters and stock salesmen have reaped large profits out of commissions and expenses. It is thought that some of the promoters may apply to the courts to test the new law.

Those companies which have been honestly designed and promoted have been hurt by the operations of the wildcats, and it is understood that several of the former, under way in this State, will be glad to have the statement of the department that they are not merely promotion schemes. It is expected, now that they are the subject of investigation, some offices in this city will be closed. Either the promoters will move to Jersey City or back to their home States, there to appeal to local pride in home institutions for support. Companies which have obtained their charters in this State cannot well evade investigation.

THOSE SUBJECT TO INQUIRY.

Nineteen corporations of this and other States have been reported as selling stock from offices in this city, and an additional promotion is reported from Buffalo. The reports of the examiners will be looked for with interest. Among the New York corporations under way now in this State, are the following:

Buffalo Casualty Company, of which C. H. Clemens is said to be the fiscal agent. This company is organized to take over the accident business of the Protective Life Assurance Company of Buffalo.

Columbia Guarantee Company, No. 320 Broadway. The fiscal agent is G. H. Bruce, as attorney.

Independent Surety Company, R. G. Babbage, No. 111 Broadway. This promotion is said to be backed by powerful construction interests in this city.

Government Surety and Casualty Company, No. 149 Broadway. This company is said to be promoted by M. William Hilbert, formerly of the Empire State Surety Company and the Metropolitan Surety Company, which latter corporation went into the hands of a receiver some time ago. Another interested in the promotion is Thomas F. Purcell, who was also formerly connected with the Metropolitan Surety.

Republic Assurance Company, No. 35 Nassau street. This is a proposed fire insurance company with an authorized capital of $2,000,000 and a proposed surplus of $3,000,000. Among the incorporators are John J. Pulleyn, controller of the Emigrant Industrial Savings Bank; Harrison N. Vedder, formerly of the Delaware of Dover, and a number of those formerly interested with the firm of Dickson & Tweeddale. The organizers of the new corporation deny that the last named firm has anything to do with the promotion.

Protective Holding Corporation, No. 435 Fifth avenue. This is a concern which is promoting the Protective Fire insurance company of Syracuse. Little is known of the holding company. The Protective Fire was originally promoted by the Government Securities Corporation, the stock of which was later exchanged by investors for that of the Protective Holding. Among those interested are Robert R. Tuttle, who runs a large non-Board fire insurance agency in Syracuse, and Ira A. Manning, a Philadelphia promoter.

Life and Casualty Company of New York. Nothing is known of the progress of this promotion.

Automobile Insurance Company of America, No. 60 Wall street, C. W. Clark & Co., fiscal agents.

Trinity Finance Company, No. 27 William street, Walkup, Baldwin & Co., agents.

SOME FROM OTHER STATES.

The companies of other States being promoted here include the following: United insurance company of Arizona, Ferris E. Shaw, No. 100 William street, principal officer. This company has a charter which enables it to do all kinds of insurance—fire, life, casualty, surety and marine. It was first launched by O. L. Van Laningham, promoter and first president of the Great Western Life of Kansas City, one of the promoters, with Robert B. Armstrong, of the Consolidated Casualty of Chicago, and now on the Pacific Coast. The original scheme was to raise a capital of $10,000,000 and a surplus of $40,000,000, selling the stock to insurance agents of all kinds, physicians and other small investors who would be likely in any way to come into business contact with an insurance company. The United now has under way the United Fire insurance company, chartered in this State. Mr. Shaw, who is in control, stated the other day that sales of stock were rather slow, on account of the business slump.

Reliable Life Assurance Company of Indiana, Hoadley & Miller agents, No. 170 Broadway. Both members of the firm were formerly connected with the Mutual Reserve Life insurance company. The promoters say that they purchased the stock of the Reliable some time ago, when they found the company's $200,000 capital heavily impaired. They have been selling their holdings at a premium in order to place it on its feet, and state that they are getting nothing out of it except their expenses. Incidentally they are Pennsylvania general agents.

TOWNSLEY PROMOTED THIS ONE.

National Assurance Company of Delaware. This is a fire insurance concern originally promoted by Henry P. Townsley, former president of the Bankers' Life insurance company of this city and promoter and first president of the Life Association of America and the Union Life of this city, now being liquidated by the Insurance Department. It is understood that this company has recently removed to offices in Dover, Del.

Enterprise Casualty Company of Philadelphia. Stock of this concern has been sold from offices at No. 141 Broadway. Its progress was stopped a few days ago by a temporary injunction of the United States Circuit Court.

Hanover Finance Company of Maine. This company is said to be organizing the Income insurance company, a scheme designed to guarantee incomes—for policyholders. The authorized capital of the Hanover is $2,000,000. The insurance company is announced to begin business when it has $100,000 of its $200,000 capital paid in, and that the resources of the Hanover will be back of the enterprise. Active in the promotion has been H. W. Gardner, who was secretary and treasurer. Mr. Gardner formerly sold the stock to the Friede Globe Tower Company, a Coney Island amusement scheme, which has not yet eventuated.

American National Selling Organization and Consolidated Life Securities Company. This enterprise was originally promoted from Chicago by the Rhodus brothers, who sold a considerable quantity of stock and finally had their complicated affairs brought to the attention of the United States court, who appointed re-

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ceivers for various corporations owned by the securities company. It is said on behalf of the Rhodus brothers that they began operations in this State at the behest of some of the stockholders in an endeavor to get the concern on its feet again. It is not known whether they have been successful or not.

Inflammability of Coal Dust.

(*The Insurance Observer, London.*)

In a paper on "Experiments Illustrative of the Inflammability of Mixtures of Coal Dust and Air," read before the Institution of Mining Engineers, Professor P. Phillips Bedson said that using the same method of producing a cloud of dust, but in larger apparatus, as that employed by Holtzwart and von Meyer, and substituting a naked flame for the spark-gap, he and Mr. Widdas demonstrated the explosive inflammability of mixtures of coal dust and air. Experiments with different kinds of coal dust and other combustible solids revealed marked differences in their behavior. Thus using a small gas flame, brown coal was observed to inflame very readily, bituminous coals less easily, but anthracite, charcoal, and "dant" not at all. By replacing the luminous coal-gas flame with that of a Bunsen burner, however, it was found possible to inflame even these materials; but there was no propagation of the combustion through the mixture, as was the case with brown coal, or with lycopodium, sawdust, or flour. This difference suggested the prominence which must, in explaining the explosive inflammation of these bodies, be attributed to the fact that, in the process of burning, volatile and gaseous combustible substances were formed, which, mingling with the air, formed mixtures through which the burning was rapidly transmitted with explosive violence. The fact that solid metals like magnesium and aluminium (notably the latter) when in a finely-divided state formed mixtures with air that burned with explosive violence showed that other factors required consideration in attempting an explanation of the explosive inflammation of mixtures of combustible solids and air. Substituting for the naked flame a coil of platinum wire raised to the required temperature by electricity, the author and Mr. Widdas had shown that coals of different sources gave dusts which exhibited marked differences in the temperatures required for their ignition; further, that air-dried dust had a somewhat higher temperature of ignition than the same coal dried at 212 degrees F., and that artificially moistening the dust raised the temperature of inflammation still further. The marked difference in behavior between brown coal and bituminous coals suggested that the sensitiveness to inflammation of the former might be connected with the relatively large proportion of the volatile matter which the former yielded in the ordinary proximate assay. To test this suggestion experiments were made on the sensitiveness to inflammation of starch, cane sugar, and flour. These substances were selected for this experiment since they resembled coal to some extent in ultimate composition and, like coal, when decomposed by heat yielded inflammable volatile compounds and a coke-like residue. The results of the experiment might be regarded as indicating that this kind of decomposition, and the relative proportion of volatile matter so produced, played an important part in the sensitiveness to inflammation displayed by brown coal and lignite, which was less marked in the bituminous coals and to a still less degree in the anthracites.

Through the Company's Eye.

(*The Budget of the Maryland Casualty Company.*)

Disability insurance has two unique values for the agent: the field is unlimited, for every wage earner is a prospect; the ratio of lapses and cancellations can be made very small, because the accumulations annually increase the amount of insurance given for the same premium. The agent who is both ambitious and conscientious will sell only that disability policy which, clause for clause, coverage for coverage, can be compared with any similar contract and shown superior.

(*Pacific Mutual News.*)

A leaf from the diary of a successful agent gives us this method, which more than one has found to be a good method: Take a real interest in your customer. After he has been examined, find out what sort of an examination it is, and pick out, if possible, some point that is not quite as good as it should be. Drop in for a casual visit, during the course of which the more or less unfavorable feature in the examination can be alluded to. Of course, he is interested. Does he want his policy to go into force the day it is issued, or will he prefer to wait two weeks or so until the policy is delivered and run the risk of some mishap in the meantime? The answer to this question is invariably: I would like the policy to go into force as soon as issued. His check is the only thing necessary to this arrangement, and in nine cases out of ten it can be had at this stage for the simple asking.

(*Glens Falls Now and Then.*)

The insurance committee of the Merchants' Association of New York has been dealing with the question of insurance rates, and concludes that the only practical way to reduce them is to reduce the fire loss, and they are trying to influence results along that line. This committee concedes that fire insurance rates must provide for losses and expenses, make reasonable provisions for conflagrations, and for a fair compensation to stockholders. These conservative business men refer to the seven or eight million dollars annual expenditure in New York city for fire fighting service, and to the few thousands for fire prevention, and urge that the fire department machinery be utilized for effective prevention of fires. They suggest systematic and persistent official inspection of all business premises, with legal authority for enforcing all laws and ordinances, with compulsory installation of automatic sprinklers in non-fireproof premises which menace vicinity property. The argument is that, even with possible reduction in the expense of handling, fire insurance would count infinitesimally in the rate of reduction, while possible reduction of the fire loss would count distinctly for a reduced fire tax, and competition would work out a minimum of cost. Of all the old or new fangled plans for lowering insurance rates, there is nothing promising larger and more sure results than that of reducing the fire loss. It is the great opportunity for the conservation spirit of the times.

(*Bulletin of the Standard Mutual Life of Pittsburgh.*)

The charter which we advised our policyholders in the last issue of this *Bulletin* we had applied for was promptly granted by the State. There is every reason for all who are interested in the Standard to feel gratified over the progress it is making. Our annual premium income is about $160,000. Compare this premium income at the end of our first eighteen months with the record of some of the leading companies. To secure this premium income it took the Massachusetts Mutual ten years, New York Life six years, Northwestern Mutual six years, Penn Mutual twelve years, Prudential five years, State Mutual of Massachusetts twenty-three years, Union Central five years, New England Mutual eleven years, Manhattan Life eight years, Berkshire Life fifteen years, Ætna fourteen years. To secure this large premium income in so short a period a great saving has been made in salaries, rents and mortality. This premium income, together with the splendid agency force, will be turned over to the new company (the Standard Life Insurance Company of America) as soon as the $300,000 is paid in. Great credit is due the agency force for this splendid showing. We feel that we are making good for our policyholders, and ask for your hearty support in your territory.

(*W. H. Riker, Paterson, N. J., in Prudential Weekly Record.*)

The importance of low arrears must be fully understood before any great improvement can be shown. Once the subject is clearly grasped by the superintendent, the agency organizer, the assistant superintendent and the agent, the process of reduction begins and continues at a rapid rate, for enthusiasm is generated as the work goes on, and eventually a complete control of the situation is gained by every agent. From that point on a steady, permanent reduction is assured.

(*The John Hancock Field.*)

The most important thing in production is "getting the signature on the dotted line," but the importance of correct information in answer to every question on the application should not be overlooked nor belittled. Wrong spelling of names, wrong dates of birth, incomplete addresses, illegible writing, withheld or incorrect history of previous insurance or rejections, etc., all cause unnecessary delay in issue, dissatisfaction and loss of business, and return for correction of thousands of cases yearly, just because a little necessary care was not used to get the thing right in the first place. The statement has been made by men who ought to know better, that too much attention to detail and so called "red tape" is detrimental to production, and if we insist on all the little minor points being lived up to to the letter, the men will not get as good results. This is about as logical as the old fallacy that good condition of debit was inconsistent with a

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large increase. There is neither logic nor sense in such a contention. "A thing worth doing at all is worth doing well." Read your instructions, men in the field. Not only read but study them, and then follow them out. Don't make the same mistake twice. "A little wisdom is a dangerous thing." Don't be satisfied with a little—know it all—all about your business. "When ignorance is folly, 'tis bliss to be wise."

(*Ætna Life News.*)

After all, it is *action* alone that counts. A certain amount of time and energy must be employed in laying plans, but this should be small compared to the time spent in active convassing. Too often we talk with men who have plans, of their own devising, that would do credit to a most able official, but they have spent hours and days making these, to the entire neglect of their proper work, which is canvassing. And so they have failed to produce the necessary amount of business to make them feel satisfied and successful, and they wonder why they do not succeed as well as some other man who apparently makes only simple plans.

(*Monthly Bulletin of the Fidelity and Casualty Company.*)

In order to get the lapped seam, which usually is the weakest part of a boiler, away from the intense heat of the furnace, this seam is placed at the upper quarter of the boiler circle just where it is likely to be covered by the brickwork which joins the boiler at that point. To inspect properly this part of the boiler, therefore, it is frequently necessary to remove a considerable portion of the upper furnace walls. The inconvenience, the expense and the delay incident to the removing and the replacing of so much brickwork may impel the boiler owner to cancel his policy rather than submit to it. As a consequence, defects in the outer shell of the boiler which might have been detected are left unobserved. In Great Britain the Factory and Workshop law of 1909 requires that "where necessary, brickwork must be removed for the purpose of inspection of vital parts of the external surface of the boiler." With this law at hand to support him, no British inspector will take the responsibility of passing a boiler unless he has had an opportunity to examine the entire outer shell of the boiler, and so he invariably insists upon the removal of the brickwork. This in Great Britain has brought about the practice of building the brick furnace in such a manner that the firebrick blocks comprising the upper part of the setting can be conveniently removed and replaced without disturbing the rest of the brickwork; and when this is done the entire upper surface of the shell is exposed to the direct light from overhead, and can be critically examined throughout its entire extent by the inspector. We believe that the British system by which these removable blocks are used could be adopted with safety and profit in this country. We understand that a British company there, making a specialty of this form of furnace setting for steam boilers, expects to introduce the system in this country. We believe that the method makes for safety, and we also believe that it is deserving of the careful consideration of boiler owners everywhere.

HANOVER

Agencies in all the Principal Places in the United States.

Fire Insurance Company OF NEW YORK.

Head Office for the United States:

57 and 59 William Street, NEW YORK.

A. G. McIlwaine, Jr., Manager.

London Assurance Corporation,

CHARTERED A. D. 1720.

Surplus in United States *January 1, 1907,* - - $650,599.91
Surplus in United States *January 1, 1908,* - - 618,474.17
Surplus in United States *January 1, 1909,* - - 649,969.70

CHAS. LYMAN CASE, Manager.

84 William Street. New York.

SAFETY FUND INSURANCE.

NIAGARA

Fire Insurance Company OF NEW YORK.

OFFICE: 185 & 187 BROADWAY.

GUARANTEES—NO ESTIMATES

ARE ALL POLICIES OF

American Central Life Insurance Co.

INDIANAPOLIS, INDIANA.

INSURANCE IN FORCE, $25,000,000. ASSETS $2,462,000

High Class Salesmen Wanted in

Tennessee, Missouri, Arkansas, Alabama, Michigan, Pennsylvania, Ohio, Indiana, Illinois, Texas, Kansas, Oklahoma and Kentucky

A NEW PLAN

OF COMPENSATING SALESMEN

Write for Information Today

Company's Office Building.

Surety Bonds and Undertakings

are furnished promptly throughout the United States, Canada and Mexico, by the

American Surety Company OF NEW YORK

Home Office, 100 Broadway

This Company confines its business exclusively to the furnishing of suretyship bonds and undertakings.

Its experience extends over a quarter of a century.

Its Financial Strength is greater, its Qualifying Power under Federal and State Regulations is larger, and its Agency Organization is more extensive than that of any other Surety Company.

Bonds issued for Employees, Administrators, Guardians, and in Judicial Proceedings.

STATEMENT DECEMBER 31, 1909.

Resources (including Capital, $2,500,000) $7,612,718.73
Liabilities (including Reserve, $1,330,367.97)..... 1,927,368.19

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NATIONAL POLICIES SATISFY THE PUBLIC

NATIONAL CONTRACTS SATISFY THE AGENT

Territory open. Write for terms.

THE CONNECTICUT MUTUAL

That means the best life insurance to have and the best to sell. If you can sell life insurance, you can sell more of it for the CONNECTICUT MUTUAL.

Men of character and ability are invited to apply.

CONNECTICUT MUTUAL LIFE INS. CO., Hartford, Conn.

Please mention this paper

1860 50TH YEAR 1910

HOME LIFE INSURANCE COMPANY

OF NEW YORK

GEORGE E. IDE, President

ASSETS, $23,626,018.63 LIABILITIES, $21,858,691.52 (Including Deferred Dividend Fund)

Dividend-Endowment Fund (Deferred Dividends)	$2,119,044.00
Net Surplus	1,767,327.11
Insurance in Force	92,532,583.00

The Record for 1909 shows the following GAINS:

Insurance in Force	$4,164,239.00
Assets	1,917,117.00
Deferred Dividend Reserve	148,581.00
Contingency Reserve (Surplus)	655,149.17

OLDEST IN AMERICA STRONGEST IN THE WORLD

The Mutual Life

Insurance Company of New York

Mutual Life Agents Make Most Money Because Mutual Life Policies Sell Most Freely

For terms to producing agents address:

GEORGE T. DEXTER, 2d Vice-President,

34 Nassau Street, New York, N. Y.

[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1, 1910

CAPITAL

$1,500,000

RESERVE FOR ALL OTHER LIABILITIES

8,222,018

NET SURPLUS

6,440,211

ASSETS

16,162,229

GERMANIA

FIRE INSURANCE COMPANY

Organized 1859 **NEW YORK**

Cash Capital	$1,000,000.00
Assets	$6,562,329.14
Net Surplus	$3,008,419.02
Surplus for Policy Holders	$3,008,419.02

HEAD OFFICE: Cor. William and Cedar Streets

The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1910	$3,470,509.30
Total Liabilities, except Capital	1,920,837.24
Capital	500,000.00
Surplus to Policyholders	1,549,672.06

F. F. BUELL, Special Agent, Troy, N. Y.

Provident Life and Trust Co.

OF PHILADELPHIA.

The Provident has been particularly distinguished for the development of a highly trained force of agents. The systematic instruction which its agents receive has resulted in their being recognized as representatives of exceptional knowledge of the business and of marked efficiency.

FOUNDED 1792

Insurance Company of North America

232 Walnut Street, Philadelphia

Assets, January 1, 1909 ..... $12,014,062.63

LIABILITIES—Reserved for Reinsurance and all other claims	$7,263,156.97	
Capital Stock	3,000,000.00	
Surplus over all Liabilities	1,750,905.66	$12,014,062.63

Agents in all the principal towns and cities.

EUGENE L. ELLISON, President.

T. HOUARD WRIGHT, Secretary. HENRY W. FARNUM, Assistant Secretary.

BENJAMIN RUSH, Second Vice President. JOHN O. PLATT, Assistant Secretary.

Surplus to policyholders, $4,750,905.66.

Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

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HOME OFFICE OF THE

Metropolitan Life Insurance Co.

INCORPORATED BY THE STATE OF NEW YORK

The Company OF the People, BY the People, FOR the People.

PROOF OF PUBLIC CONFIDENCE

This company has more premium paying business in force in the United States than any other Company, and for each of the last 16 years has had more New Insurances accepted and issued in America than any other Company.

The number of Policies in force is greater than that of any other Company in America, greater than all the Regular Life Insurance Companies put together (less one), and can only be appreciated by comparison. It is a greater number than the Combined Population of Greater New York, Chicago, Philadelphia, Boston, St. Louis, Cleveland, Cincinnati, San Francisco, Pittsburg, Baltimore, New Orleans and Buffalo

ASSETS.

Municipal and R. R. Bonds and Stocks	$123,346,161.39
Bonds and Mortgages	105,183,172.02
Real Estate	23,311,215.72
Demand Loans on Collateral	172,930.00
Cash	5,420,643.42
Loans to Policyholders	11,193,245.61
Premiums, deferred and in course of collection (net)	5,190,288.45
Accrued Interest, Rents, etc.	3,290,211.85
Total	$277,107,868.46

LIABILITIES.

Dividends payable in 1910	$6,938,793.66
Reinsurance Fund and Special Reserves	237,213,384.00
All other Liabilities	3,053,470.82
Capital and Surplus	29,902,219.98
Total	$277,107,868.46

Largest Office Building in the World—Madison Avenue, Fourth Avenue, 23d Street and 24th Street, New York City.

SIGNIFICANT FACTS

This Company's Policy-claims paid in 1909 averaged in number one for every 68 seconds of each business day of 8 hours each and in amount $140.81 a minute the year through.

THE DAILY AVERAGE OF THE COMPANY'S BUSINESS DURING 1909.

456 per day in number of Claims Paid.
6,585 per day in number of Policies placed and paid for.
$1,463,755 per day in New Insurance placed and paid for.
$183,408 75 per day in Payments to Policyholders and addition to Reserve.
$182 172.72 per day in Increase of Assets.

OFFICERS

JOHN R. HEGEMAN.....President
HALEY FISKE.....Vice President
GEORGE H. GASTON....2d Vice President
GEORGE B. WOODWARD..3d Vice President
FRANK O. AYRES.....4th Vice President
F. F. TAYLOR.....5th Vice President
JAMES M. CRAIG.....Actuary
STEWART L. WOODFORD.....Counsel
WM. J. TULLY.....General Solicitor
FREDERICK H. ECKER.....Treasurer
WALTER STABLER.....Comptroller
JAMES S. ROBERTS.....Secretary
JOHN R. HEGEMAN, JR....Asst. Secretary
J. J. THOMPSON.....Assistant Secretary
T. R. RICHARDSON.....Assistant Secretary
GEORGE B. SCOTT.....Assistant Secretary
FREDERICK A. BETTS...Assistant Secretary
GEORGE C. PENHALLOW...Asst. Secretary
THOMAS H. WILLARD, M. D..Med. Direct.
AUGUSTUS S. KNIGHT, M. D..Med. Direct.
W. S. MANNERS, M. D..Asst. Med. Direct.
E. M. HOLDEN, M. D....Asst. Med. Direct.
D. M. GEDGE, M. D.....Asst. Med. Direct.

I. J. CAHEN.....Manager Ordinary Dept.
LEE K. FRANKEL, PH. D..Mgr. Indus'l Dept.
J. BERGEN OGDEN, M. D..Asst. Med. Direct.
JACOB CHADEAYNE..Mgr. Interm'd'e Branch

Paid to Policyholders since Organization, plus the Amount now invested for their Security, $537,223,523.83.
Number of Policies in Force, 10,621,679. Amount of Outstanding Insurance, $2,041,951,700.00.

A GREAT SIX MONTHS!

We closed the first half of 1910 with a rousing increase in new business over our record for the first half of highly prosperous 1909.

In policies and dividends we have what the public wants. In literature and canvassing aids we have what the agent wants. And back of all is a reputation gained from 59 years of activity as a Massachusetts Company.

If you are a genuine producer, a *delivering* producer, and wish to join our forces, address

GEORGE D. LANG, Superintendent of Agencies

MASSACHUSETTS MUTUAL LIFE INSURANCE CO.

SPRINGFIELD, MASSACHUSETTS

INCORPORATED 1851

National Life Insurance Co.

MONTPELIER, VERMONT.

Established in 1850. Operating in 36 States.

JOSEPH A. DEBOER, President.

FRED A. HOWLAND, Vice-Prest. OSMAN D. CLARK, Secretary.
JAMES B. ESTEE, 2d Vice-Prest. H. M. CUTLER, Treasurer.
A. B. BISBEE, Med. Director. C. E. MOULTON, Actuary.

This Company held January 1, 1910, and gained during the past decade:

ASSETS,	$47,490,998.98	- Gain, 167%
LIABILITIES,	41,661,130.12	- Gain, 162%
SURPLUS,	5,829,868.86	- Gain, 211%
INSURANCE,	161,423,115.00	- Gain, 79%

ABSOLUTE SECURITY AND ECONOMY OF MANAGEMENT

J. G. WALKER, President.
T. WM. PEMBERTON, 1st Vice-Pres. W. L. T. ROGERSON, 2nd Vice-Pres.
E. D. HARRIS, Secretary.

Organized 1871.

Life Insurance Company of Virginia

HOME OFFICE, RICHMOND, VIRGINIA

The OLDEST Southern Life Insurance Company.
The LARGEST AND STRONGEST Southern Life Insurance Co.
The PIONEER Southern Industrial Life Insurance Company.

Its policies are clear and definite in their provisions, and their values are absolutely guaranteed.

Assets, December 31, 1909	$5,872,691.99
Liabilities, December 31, 1909	4,312,405.32
Insurance in force December 31, 1909	68,337,613.00
Total payments to policyholders since organization	9,820,412.49

ENERGY AND BRAINS

are the necessary capital for Life Insurance selling. You can get high returns on this capital by selling the policies of the Prudential.

Write Us About An Agency.

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA.

Incorporated as a Stock Company by the State of New Jersey.

JOHN F. DRYDEN, President. Home Office, Newark, N. J.

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1894 1910

The State Life Insurance Company

Indianapolis

UNEQUALED IN SOLID ACHIEVEMENT

Assets Dec. 31, 1909, $8,580,830.88. Surplus 1909, $1,174,606.34.

GROWTH UNPARALLELED

	Gain in Admitted Assets	Gain in Surplus
1907	$1,001,409.00	$27,775.00
1908	1,023,700.00	153,161.00
1909	1,301,977.14	314,044.74

Eight Million Dollars in Securities Deposited With the State of Indiana.
This is $848,861 more than is required by law.

MOST ATTRACTIVE AGENCY CONTRACTS
Our Own Idea.
Every Contract Direct With the Company.
Scores of Good Men Have Joined the State Life Field Force since January 1, 1910.

On all Agency matters address: CHAS. F. COFFIN, 2d Vice-Pres., 1231 State Life Building

The Columbian National Life Insurance Co. of Boston, Mass.

LIFE, ACCIDENT AND HEALTH INSURANCE

The Only Massachusetts Non-participating Company.

The New Columbian Policies are Unexcelled in Clearness and Liberality. Good Contracts and Territory for Good Producers.

ARTHUR E. CHILDS, President

COMMERCIAL UNION ASSURANCE CO.

LIMITED,

OF LONDON.

OFFICE:

Cor. Pine & William Sts., New York.

BRITISH AMERICA ASSURANCE CO.,

INCORPORATED 1833.

Head Office: TORONTO, CANADA.

UNITED STATES BRANCH.

JANUARY 1, 1910

Assets	$1,556,740.94
Liabilities	902,438.61
Net Surplus	$654,302.33

HON. GEO. A. COX, President. W. R. BROCK and JOHN HOSKIN, K.C., LL.D. Vice Presidents.

W. B. MEIKLE, General Manager.

Equitable Accident Company

161 DEVONSHIRE STREET, BOSTON, MASS.

"THE COMPANY THAT WORKS WITH YOU"

CAPITAL, - - - - - - - - - - $100,000.00
SURPLUS TO POLICYHOLDERS, - 182,372.07

Accident and Health Insurance
Commercial and Industrial Departments
Attractive Policy Forms—Liberal Commissions

WM. H. JONES, General Manager

QUEEN

Ins. Co. of America.

NEW YORK.

The Philadelphia Casualty Company

WALTER LE MAR TALBOT, President

Our New Accident Policy is Perfection
IT'S THE POLICY YOUR CLIENT WANTS
IT'S THE POLICY THAT'S EASY TO SELL

Personal Accident, Health, Liability, Automobile, Plate Glass and Credit Insurance.

AGENCY CORRESPONDENCE SOLICITED

PHOENIX

ASSURANCE COMPANY, LIMITED, OF LONDON

(ESTABLISHED 1782)

LOSSES PAID, OVER - - - $200,000,000

HEAD OFFICE FOR THE UNITED STATES

47 CEDAR STREET, NEW YORK CITY

A. D. IRVING, JR., SECRETARY. LOUIS F. BAYARD, PERCIVAL BERESFORD, JOINT MANAGERS

HARTFORD LIFE INSURANCE COMPANY

CHARTERED FORTY-THREE YEARS

GEO. E. KEENEY, President. THOMAS F. LAWRENCE, Secretary

1909 Policy Contracts are Participating and Non-Participating. Annual or Deferred Dividends—Rates revised and made lower. Values based upon the FULL RESERVE. Desirable Contracts for Producers. Address—

Second Vice-President, Home Office, HARTFORD, CONN.

1825. THE 1910.

Pennsylvania Fire Insurance Company

OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,349,097.67
Surplus	2,233,426.43
Total January 1, 1910	$7,332,524.10

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

INCORPORATED 1851.

Berkshire Life Insurance Company

OF PITTSFIELD, MASS.

All Policies issued by the Company are subject to the Massachusetts Non-Forfeiture Law.

JAMES W. HULL, President.
W. D. WYMAN, Vice-Pres. and Treasurer. J. M. LEE, Actuary.
THEO. L. ALLEN, Sec. ROBT. H. DAVENPORT, Asst. Sec.

Agencies in all the principal cities of the United States.

Insurance Brokers

PLACE YOUR

SURETY AND CASUALTY

BUSINESS IN THE

"Empire"

CAPITAL, $500,000

Business producers not now under contract wanted for open territory

Address AGENCY DEPARTMENT.

THE EMPIRE STATE SURETY CO.

84 William St., NEW YORK.

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THE

Good Contracts for Good Men.

ROLAND O. LAMB, President.
Robert K. Eaton, Superintendent of Agencies.
Walton L. Crocker, Secretary.

WILLIAM N. COMPTON, General Agent, St. Paul Building, New York

North British & Mercantile
INSURANCE COMPANY,
OF LONDON AND EDINBURGH.

Established 1809.

OFFICE:
76 WILLIAM STREET,
New York City.

Northern Assurance Company, Ltd.
OF LONDON, ENGLAND.
EASTERN AND SOUTHERN DEPARTMENTS,
38 PINE STREET, NEW YORK.

GEORGE W. BABB, Jr., Manager. T. A. RALSTON, Sub-Manager.

Net Surplus and Capital, $486,413
Income 1909, . . . 1,146,723

WILL AID GOOD MEN IN ESTABLISHING AGENCIES
Best Policies, Largest Commissions or Profit Sharing Contract
NORTH AMERICAN ACCIDENT INS. CO.
A. E. FORREST, Vice-Pres. & Sec'y, Chicago.

Fidelity (Fire) Underwriters

Separate Insurance by Two Companies in one Policy

Fidelity Underwriters' Policies are issued by the Continental Fire Insurance Company and the Fidelity-Phenix Fire Insurance Company of New York. Each assumes half the liability.

Fidelity Underwriters' Policies are safe policies. The Continental's loss paying ability and conflagration record are well known. The Fidelity-Phenix is the outcome of a merger between the Fidelity and the Phenix. It combines financial strength with a strongly established agency plant and safe underwriting methods.

Total Assets, . $36,090,757
Policyholders' Surplus, 18,743,991.

Principal Office: 46 Cedar St., New York, N. Y.
Western Department:
280 La Salle Street, Chicago, Ill.

The Home Life Insurance Company
OF AMERICA
"*Industrial*" INCORPORATED 1899 "*Ordinary*"
Executive Offices, 416-418-420 Walnut St., Philadelphia, Pa.

All Popular Forms of Life and Endowment Insurance

Industrial policies in full immediate benefit, and written from the age of six months.
Most liberal Cash Loans, Cash Surrender, Paid Up and Extended Insurance Values.
JOHN LANGHAM, Jr., Pres. F. PIERCE BUCKLEY, Vice-Pres.
JOSEPH L. DURKIN, Sec. EDWARD P. MADDEN, Treas.
GEORGE M. NETTLESHIP, General Manager.
THE HOME LIFE IS THE IDEAL HOME PROTECTOR
Mention this Ad

Incorporated 1855.

THE
JEFFERSON FIRE
INSURANCE COMPANY
OF PHILADELPHIA

In Business Fifty-four Years. Surplus to Policy-Holders, Over $450,000.
AGENCY DEPARTMENT, 425 WALNUT STREET, PHILADELPHIA.
AGENTS WANTED AT ALL DESIRABLE POINTS.

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CAMBRIDGE, MASS.

The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

VOL. LXXXIII. NEW YORK, SATURDAY, JULY 16, 1910. No. 3.

Published every Saturday by the Underwriter Printing and Publishing Company.

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Checks and money orders should be made payable to the order of THE WEEKLY UNDERWRITER.

Entered at the New York, N. Y., Post Office as second class matter.

CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

ALTHOUGH there has been recent depression in some forms of business, the returns made by life insurance companies to our contemporary, the *Insurance Press*, indicate that life insurance production during the first half of the year has suffered only in not reaching a volume which would be commensurate with a high tide of general business prosperity. But any falling off in other lines of business has not affected life insurance, for all the reporting companies show gains in new business written, over the corresponding period of the previous year, of from five to twenty-eight per cent. Whatever may have been the conditions in transportation, trade and the money market, life insurance has kept right along doing well. This result furnishes great encouragement to the life underwriter for the coming busy season, for all the indications are for a decided improvement in the commercial situation and conditions dependent upon it.

WE print both an editorial on the Eastern commissions situation, which appeared in the last issue of the *Agency Bulletin* of the National Association of Local Fire Insurance Agents, and comments thereon by that most competent representative of the fire insurance companies, Mr. Frank Lock. The *Bulletin* editor, with a tartness which we do not believe expresses the spirit of the members of the association, except to a very limited extent, accuses the companies, which have entered into the agreement to regulate expenses in the Eastern territory, with the determination to execute reform at the expense of the local agents, while leaving "waste in official salaries and home offices charges" untouched. The inconsiderateness of this charge appears—as is shown by Mr. Lock—in the fact that fifty per cent. or one-half of the expenses of conducting the business goes in commissions, while the office shares with the State and all other demands in what is left. If there is a lion's share it is not that of the administrative officials. The agents have a claim on the business, which must be recognized, and it is evidently the aim of the companies which have gone into the Eastern agreement that the agents shall not suffer by the proposed rearrangement, but that the burden of reduction shall fall on the fungus element which has attached itself to the business on account of the excessive rewards to be gained. Over the larger part of the territory affected, as Mr. Lock says, fifteen per cent. is now the recognized rate, and is what is paid on the bulk of the business. It is not proposed to make any reduction in this. What is proposed is equalization. We are confident that the body of the agents recognize this as the situation, and are not in sympathy with a "trades union" tone toward their companies.

THE Texas Legislature will convene in special session next Tuesday. The Governor wants the State Rating Board law repealed. The Insurance Commissioner wants it amended and continued. Since the contention began a new condition has arisen, and its influence upon the action which the Legislature will take will necessarily be important. New business is practically suspended in the State. The public cannot obtain further fire insurance. The condition is due to the order of the State Rating Board for reductions in the general schedule, which were to become effective last Monday. The largest general agencies in Texas have promptly shut down on the business affected by the reductions. Mr. Cochran, of Trezevant & Cochran, says:

> The practical effect is to suspend the writing of insurance for our companies on all kinds of risks except a limited class of dwellings in towns, also country dwellings and barns, churches and some public buildings. How long the suspension will continue we are unable to say, it being dependent very largely upon the action taken by the coming session of the Legislature. If the Legislature repeals the law in toto we will be in the same position we were before the present law went into effect, and all work done and the $250,000 spent therein will go for naught. If the Legislature enacts a new law we will, of course, be guided by instructions from our companies after they have had time to study its provisions and see if they can afford to resume operations thereunder. After being continually in the insurance business in the State for nearly thirty-five years our office naturally regrets very much to find it necessary to take the action herein indicated, but it seems unavoidable under the circumstances.

Mr. Thomas, of Cochran, Thomas & Co., another great Dallas general agency, says:

> This practically puts us out of business in Texas, and this course was taken only because it seemed to be the only thing left for our companies to do. We have not made money for the companies in Texas during the last two years because of the heavy losses, and we believe practically all companies have had the same experience, and this reduction order, in the light of our present information, would make a heavy additional loss certain. We are hopeful that conditions may so shape themselves at an early date that our companies can resume business. We have mailed a circular letter to 600 agents representing our companies in the State, in which we say: "We are not unmindful of the fact that this action may result in serious personal loss to you and to us, as well as perhaps some hardship to our many loyal patrons in Texas. That apparent necessity therefor exists we regret exceedingly. It seems to us that the destruction, or at least the serious impairment, of an agency plant which it has taken years of fair dealing with our agents and our patrons to perfect, and in which we have invested our time, energy and capital, is certainly not contemplated by this law, justified by the conditions or demanded by the public; yet this may be the result of the rate reduction order. We do not now, and never have, knowingly, undertaken to collect from our patrons a greater rate than is necessary to pay losses and expenses and have a profit margin, which would be considered ridiculously small by the average merchant, the hazard of whose business is definitely fixed."

Another general agency firm, Gross R. Scruggs & Co., has sent the following notice to the State Rating Board:

> It is with great reluctance and under protest and reserving all legal rights to contest that we herewith comply with your order of June 28, as amended July 2, and enclose amendments to our basis schedules. We are

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extremely sorry that you have deemed it proper to order us to reduce our rates below a living point. It will force us to decline a great deal of business which otherwise we would be glad to write. It also calls a halt on the work we have been doing relative to correcting our schedule where it appears too high.

Nearly all the agency companies transacting business in Texas are represented in these three general agencies. They cannot write business at the rates prescribed by the order of reduction except at a loss, and they cease. This is the condition confronting the Texas Legislature on the eve of its meeting, and it is for the makers of law to decide whether the people who require the protection of fire insurance shall have it or be deprived of it. What a comment is this failure of State interference with the insurance business in Texas on the impatience of Louisiana to go into it! The National Board of Fire Underwriters adjured the Louisiana legislators to await results in the neighboring State, and they refused. How soon conditions in Louisiana will be in the muddle they are in in Texas and Kansas need not be a matter of long speculation, and in the meanwhile one can readily excuse the proposition of the bewildered Texas insurance man, that the first thing that his Legislature should do, after the opening prayer next Tuesday, should be to enlarge the State sanitarium for the accommodation of people struggling to understand the fire insurance situation.

Facts and Opinions.

The persistency of Superintendent Hotchkiss in the matter of the **Dutchess Fire insurance company** is fully equaled by the persistency of the company in its loyalty to its president, Lewis H. Vail, as shown in the following statement, the first to be issued since the controversy started:

This company has been passing through a most singular experience, but we have remained silent under the situation for several reasons, chief of which was our belief in your unshaken confidence in us despite inaccurate and slanderous statements which have been made concerning the management, and more particularly concerning our president. While we still feel that it is largely unnecessary to do aught save to point to our past reputation, well known to you during all the years we have been in touch with each other, yet perhaps a word or two from us may not be amiss at this time. We will, therefore, first call your attention to the fact that in the disagreement which we have with the Insurance Department no question of solvency, or that we have a very considerable surplus over and above all liability of every nature, is raised by the department or by any other source. Further, we are not only doing business as hitherto, but intend to continue so to do. As to our president, who has been connected with this company and its predecessors for forty-three years past, after the most searching, even inquisitorial, examination by the Insurance Department, we remain clear and firm in our belief that there is not even a shadow cast upon his reputation, which remains, in the judgment of both the stockholders and the directors, absolutely unblemished and above reproach. Our board of directors is largely composed of leading residents of this city, among whom four are bank presidents, two are vice presidents of banks, two are prominent members of the Dutchess County bar; one, Mr. William W. Smith, the well known philanthropist, and other gentlemen of like high standing, and the directors, after full consideration of every criticism which has been made upon our president, have absolutely refused even to consider the question of his retirement, and their action was emphatically and practically unanimously indorsed at a subsequent meeting of the stockholders. The criticisms referred to, so far as they have consequence at all, concern matters regarding the closing of the affairs of the old company, and these questions will be passed upon by the court in an action which has been brought for winding up the old company's affairs. So far as such questions concern us, the representatives of the new company, we as law abiding citizens, with full confidence in the wisdom and integrity of the court, are content to abide the action of the court, and we do not intend to submit to dictation on these questions from any other source whatsoever.

Invaluable as a book of reference on life insurance, and particularly its industrial form, is the sumptuous volume from the Prudential Press entitled "Addresses and Papers on Life Insurance and Other Subjects," by **President John F. Dryden** of the Prudential insurance company. The contents are collected and republished from various sources, or are printed for the first time and cover the last seven years in delivery. As President Dryden was the pioneer of successful industrial life insurance in the United States, much appearing in the volume relates to the fruitful and interesting subject, some of the topics being "The Inception and Early Problems of Industrial Life Insurance," "The First Quarter Century of Industrial Insurance in the United States," "The Practice of Industrial Insurance" and "A Method of Providing With Certainty for Dependent Old Age." In reference to the latter the author gives an account of the new system of life insurance successfully introduced by the Prudential, by which the payment of life insurance money is made by monthly income checks divided over the entire lifetime of the widow or other dependents, rather than in one sum directly on the death of the insured. Mr. Dryden believes that this method of distributing life insurance is directly in line with the American ideal of the highest possible degree of economic independence in old age. The addresses and papers treat of other phases of life insurance, such as the business as a career, its taxation by the State governments and its supervision by the Federal Government. Mr. Dryden, when United States Senator, was much interested in the success of the Panama Canal, and his able speech on the "American type" of this great undertaking is included in the volume, as well as an address on Abraham Lincoln and Alexander Hamilton. An excellent portrait of President Dryden faces the title page.

The first volume of the **International Insurance Cyclopedia,** which is to be completed in seven volumes and is under the editorship of its originator, Dr. Isidore Singer, has been issued, and gives promise of a very valuable series covering the history, theory and practice of all branches of insurance throughout the world from the earliest times to the present day. The initial volume contains the biographies of insurance men past and present, and gives the salient facts about several thousand of these useful persons. The preparation of the cyclopedia is supervised by an editorial board of eminent experts in the various lines of insurance of which Mr. Edwin W. De Leon, president of the Casualty Company of America, is president. In its announcement of the coming completion of this work the management says:

The time has come for a more scientific development of the business in all its branches, and for a more complete adaptation of insurance principles to the existing needs of social and commercial life. To meet these needs of the business a great reference work is required, and nothing will be left undone to entitle the International Insurance Encyclopedia to the confidence and respect of all competent to judge of its merits. Chiefly, however, it is to the insurance companies that the enterprise appeals for supeport and hearty co-operation, as well as to the large army of managers and agents, office employees and experts, who, in some capacity or other, are advancing the interests of insurance throughout the world. * * Rapid progress will then be made from now on in every department, so that there is a reasonable assurance of completing the work within the year 1910, the original date of termination. The management appeals with confidence to insurance interests throughout the world for hearty support in every way to carry this important undertaking to a successful conclusion.

A grand jury at Rock Island, Ill., on Wednesday entered **indictments** against thirteen persons charged with **frauds in fraternal insurance.** The investigation has been in progress since May 3. All those indicted were officers of the American Home Circle, or the Fraternal Tribunes, or were concerned in the merger of the two societies in 1908. This merger is said to have been followed by the disappearance of the Tribunes' reserve fund of $57,000 and the alleged mismanagement of the society's affairs to such an extent that it was ultimately wrecked. Those indicted are Dr. A. L. Craig, C. F. Hatfield and Max J. Franckel, of Chicago; H. A. Weld and Robert Rexdale, of Rock Island; Thomas W. Wilson, of Washing-

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ton; Michael B. Garber, C. H. Walters and George W. Kenney, of Springfield; S. S. McIlvaine, Miss Margaret McIlvaine and Otho L. Caldwell, of Auburn, Ill., and K. M. Kitham, of Aledo, Ill. Evidence adduced during the investigation indicated that the men who were officers of the Home Circle for several years made a practice of merging smaller insurance societies. The Home Circle, at the time it was merged with the Tribunes, was the composite result of three such mergers. After the Tribunes again became a separate organization the Home Circle effected a merger with two other societies, installing its officers in each successively. Wilson and Garber are now respectively president and secretary of a local benefit society, with headquarters at Washington.

The genial editor of *Business*, published at Manchester, England, is in a decidedly **pessimistic mood** about his great country. Perhaps subscribers are not paying up promptly or life insurance soliciting is slack during the heated term. He should cheer up. From this point of view there is lots of go in the old land yet. He says:

An old journalistic friend writes, "I have read your last number of *Business* this morning. It is a miracle to me how you keep it up. Since R. A. Proctor died I know of no journal which maintains the same individualistic touch as yours. I quite agree with you about the change that has come over, not only the insurance world but the commercial world, and in fact over people generally. I have noticed it more during the last ten years; even five years has made a big difference. It is the same with books and with pictures. You cannot hold the public now for any length of time. There is general apathy. No one cares for anything for more than five minutes. If that is the outlook, what will the future be?" Nobody knows, and nobody cares. * * Mr. John Ross, who contributes "a plain criticism of our lethargy" to the *Daily Dispatch*, writes in a similar vein. "I have been away from England twenty years," he remarks, "and since my return I have been struck by the prevalent signs of deterioration." He refers in particular to the want of enterprise among business men, who are "content to scratch along in the old beaten track of their forefathers." He considers London "the smuggest and most hypocritical city on the face of the earth. One has only to wander round the West End at night to see the poison working in the morale of the youth of England. To see them crawling along Piccadilly, with their kangaroo walk, their lemonade bottle shoulders, pink faces, lisping voices, and knock-knees, makes a man sorry for his nation."

Preparations are on foot for the **annual meeting** of the **National Association of Life Underwriters** at Detroit by the various committees of the local life underwriters' association. The *Indicator* of July 5 says:

The popularity of Detroit as a convention city is attested by the fact that something over 160 have been booked for this season, some of them very large. With its magnificent river, and elegant pleasure boats providing opportunity for delightful excursions in every direction, its beautiful streets and general attractiveness, the city is an ideal spot for a convention, and all gatherings of this sort are always largely attended. The facilities for combining business and pleasure are unsurpassed anywhere, and hence Detroit life underwriters are preparing for a record attendance. The program will be a good one, there is no question about that, and aside from the inspiration those who attend may get through this, everyone who attends is guaranteed a good time. The *Indicator* will publish a daily edition during the convention, and the proceedings of each day will be placed in the hands of the delegates on the following morning, thereby lending its aid to make the convention a successful one. A portion of the program for the meetings has been announced, namely, the topics for five minute discussions. These topics, which are designated as "A Feast of Thought Stimulators," are as follows: 1, "How Best to Improve Our Service to Policyholders"; 2. "How Best to Obtain and Hold Agents Under Present Conditions", (a) "How Best to Overcome the Difficulty in Securing New Agents," (b) "Does Not the Work Possess a Special Dignity?", (c) "Is Not the Percentage of Success Greater in Life Insurance Work Than in Other Lines?"; 3. "Under Present Conditions, How Best May It Be Made Profitable to the General Agent to Keep a Field Man Traveling Through Territory for the Purpose of Appointing, Encouraging and Assisting Local Agents."

In pursuance of its humanitarian work, the Metropolitan Life insurance company has issued for distribution to its policyholders an illustrated pamphlet, entiled **"Directions for Living and Sleeping in the Open Air."** It has been prepared by Dr. Thomas Spees Carrington, assistant secretary of the National Association for the Study and Prevention of Tuberculosis, for the company realizes that at the present moment there are either inadequate facilities in the United States for sanitorium treatment or that the charges made at many of the sanitoria are beyond the financial ability of many of the company's industrial policyholders. The pamphlet gives practical directions for home treatment, which, if conscientiously followed under the guidance of a physician, may result in improvement or cure. Some of the topics treated in this very worthy publication are: "How to Take the Open Air Treatment in a Tenement House," "How to Build a Small Shack or Cabin on a Flat Roof in the City," "How to Build a Cheap Porch," "Tents and Tent Houses."

The **Legislative Investigation Committee** will reassemble, as was announced last week, on July 26. As to the policy of the committee in making the investigation of both insurance matters and legislative transactions, M. Linn Bruce, the counsel selected by the committe, said on accepting the appointment:

When I was first asked to become counsel of this committee I sent word that I was willing to undertake the work provided my views of the purpose, scope and methods of investigation were in accord with those of the committee. Among other things, I said that I favored an immediate, impartial, thorough and unsparing investigation in conformity with the terms of the concurrent resolution under which the committee acts and which confers its powers. Since the committee has seen fit to select me as its counsel I am assured that the committee's views and mine are in accord. It will take some time to select associate counsel and other necessary assistants to the committee, and also some time to gather data and arrange it in shape to begin the public hearings, but as soon as this has been done the hearings will start. I shall avail myself of the very first opportunity in company with Chairman Merritt to confer with Governor Hughes, and also with State Superintendent of Insurance Hotchkiss. The Governor is a master investigator. No one is better able and more willing, I believe, than he to give valuable suggestions.

A paragraph in the Chicago *Record-Herald* on a **new merit system for employers** is as follows:

A Glen Ridge, N. J., publishing concern has established an innovation in its plant which is being watched by employers of labor generally in New Jersey, as well as by the labor unions. The company has insured the life of every one of the 150 men and women employed by it on a kind of merit system, the policies ranging from $250 to $1,000, according to the value and length of service of the employee insured. In each case the employee selected the person who was to be the beneficiary, and the company paid the premiums, and will continue to pay them so long as the employee remains with it. When he leaves or is discharged the policy will be given to him, and he may continue it or permit it to lapse. The policies do not provide for any accident insurance, and the company cannot benefit in any way from them. Siegel, Cooper & Co. originated this form of co-operative insurance in Chicago seven or eight years ago. They took out $1,000 policies on the lives of all their employees above a certain rank, paying the first year's premium, and allowing the policyholder to do as he liked about continuing the insurance. Much of it is still in force. A number of firms now give insurance policies to their employees for Christmas or New Year's presents. So far as is known none of the Chicago plans provide for carrying the insurance indefinitely for the employee, as is done by the Glen Ridge publishers, although some are willing to share the cost.

Denver has been having a "fire prevention day," during which special efforts were made to acquaint the public with the proper methods for **fire prevention** and the consequent reduction of insurance premiums. One of the features was an address to the Chamber of Commerce by Ralph P. Cooper, the city's fire warden, who gave many bits of wisdom, including this one: "The average landlord seems willing to pay countless good dollars in tribute to the fire insurance companies, but is unwilling to spend one red cent for his own defense. This condition should and will be reversed when you men of dollars and buildings get together and protect yourselves against the common causes of expensive fires." He urged that property owners clean up their premises from rubbish heaps, and asked that metal rubbish cans be provided. Placards stating rules for the use of gasoline

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are to be posted throughout the city and other measures adopted for the general education of the public with regard to prevention of fires.

Dates Ahead.—The following conventions of underwriters are scheduled for the summer and autumn:

July 27-29—Detroit Conference of Accident Underwriters, Mackinac, Mich.

August 16—National Fraternal Congress, Detroit, Mich.

August 22—Associated Fraternities of America, Atlantic City, N. J.

September 8-10—National Association of Life Underwriters, Detroit, Mich.

September 12-14—National Association of Local Fire Insurance Agents, Chicago, Ill.

September 15-17—American Life Convention, Des Moines, Ia.

September 20-23—International Association of Accident Underwriters, Bretton Woods, N. H.

September 27-29—National Convention of Insurance Commissioners, Mobile, Ala.

The annual meeting of the Western Union will take place in September, and the Fire Underwriters' Association of the Northwest will meet in October.

Some of the insurance publications having credited the Royal Exchange with **guaranteeing London Lloyds** policy placed last week on the property of the Philadelphia Rapid Transit Company's property, United States Manager U. C. Crosby strenuously declines to accept the tough impeachment, and in a statement to the press says:

This statement is absolutely false and without foundation. The insurance on the schedule was divided between various agencies in the city of Philadelphia, and our representatives, Messrs. H. W. Brown & Co., received an allotment of $2,000,000. This entire amount is held binding subject to rate and form in the companies represented in their own office, all being companies admitted to do business in the State of Pennsylvania. We believe the competition of the Lloyds unfair, and that every effort should be made to minimize same. They pay no taxes or expenses in connection with rating or inspection bureaus or other expenses required by State departments of companies entering the country and doing a legitimate business. We would not allow our company to be used as a guarantee for risks under this schedule or any other property.

The **loss on the wholesale grocery of Foley Brothers, Larsen & Co.** at Winnipeg, Man., has been settled at 92 per cent. on $234,500 insurance on stock. The salvage was taken by the firm at a much smaller amount than could have been realized had it not been for the attitude of the Winnipeg health department. The fire was in one section of the building, the loss in the other section being chiefly by water damage, it being practically flooded by the high pressure service. As the water for the high pressure service is drawn from the river below two large sewers the health department was unwilling to permit the sale of foodstuffs which had been soaked with this water. After a previous fire it declined to allow the sale of mattresses which had been soaked by the high pressure service, alleging danger to public health.

The latest freak of Mr. Russell F. Hopkins, the young man at Irvington-on-the-Hudson who has more money than he knows how to spend in a sufficient variety of means to afford him relief from ennui, has invaded the field of insurance to the limit by securing a policy from London Lloyds which provides an **indemnity** of $5,000 **against** his **assassination** or an attempt on his life. Curiously enough, the beneficiaries are the witnesses to the said overt act, $2,000 to go to the first witness and $1,000 each to three others, should it so happen that four people are on hand to take notice when anything of this character happens to the insured. London Lloyds was willing to assume the risk on Mr. Hopkins for the sum of $25 per year, after becoming satisfied that the gentleman had no avowed enemies.

The announcement of the **death of Webb McNall** will recall the strenuous time he gave to the insurance business in Kansas when he was the Superintendent of Insurance of that State from February, 1897, to March, 1899. McNall was a political demagogue, pure and simple, and believed that it would advance his political fortunes by harassing the insurance companies. One of his rulings was that no company should do business in that State that litigated a claim, and he had numerous controversies with companies, barring several, like the New York Life and the Mutual, from the State. Since his administration he has been regarded as the typical official insurance baiter. McNall died at Gaylord, Kan., June 24, from paralysis, from which he had suffered five years, aged sixty-one years.

The **Merriam commission,** which has been investigating the Chicago municipal departments, **criticised the Chicago fire department** severely for unbusinesslike methods in its report. It recommends that Chief Horan be relieved of all business details, and be permitted to give his attention entirely to the fire fighting work. It was shown that extravagant prices had been paid for supplies, hose, etc., and that the business methods have been very lax. The Chicago fire attorney's office is severely criticised for inefficiency, it being shown that in New York city last year there were eleven times as many convictions for arson as in the same period for Chicago. The commission recommends that the fire attorney's office be reorganized and made an effective bureau of fire prevention, with increased powers and staff.

The fire insurance companies have decided to contest the **loss on the Mogollon Gold and Copper Company** plant at Cooney, N. M., there being a total loss on $25,000 insurance in ten companies. The plant has been unprofitable and inoperative, and most of the companies did not get the dailies reporting the issuance of the policies until after the plant had burned. They contest on the claim that the agent who wrote the policies is a stockholder in the mining company, that material facts were misrepresented and suppressed, that the watchmen clause had not been complied with, and that the risk had not been accepted, the dailies not having reached the companies. The fire is believed to be incendiary, due to labor troubles, the men not having been paid for a long time.

The liquidation of the five Onondaga County **co-operative fire insurance** companies by the New York department has just been concluded, constituting the first application of the new liquidation law. The department has collected an assessment from the policyholders sufficient to pay outstanding loss claims, aggregating $20,000, at a cost of about $5,000, or about 17 per cent. of the amounts collected. The prosecution of 1,500 collection suits has been involved. Except in the case of one company, claimaints have been paid their claims with interest added. In some cases there will be a return dividend to policyholders who paid the extra assessments. It was the failure of these companies which resulted in the adoption of legislation providing for liquidation in such cases.

This from the *Coast Review* has nothing to do with insurance. But perhaps it is **timely:**

The man in the car edged up to me, with a friendly greeting, "Well," said he, "have you amused yourself by comparing human ears?" Yes, I had, for a time, until at last I could see nothing else but rows of ears in a street car, and as they were ugly the amusement was of brief duration. "You are not a philosopher," said he. "Look at those colored people. Note the delicacy of the black folks' ears. They are nearer the arboreal ancestry. White folks' ears are larger and coarser. I tell you, these black people are the true aristocrats. It is only in recent times their ancestors worked. They have naturally slender fingers and toes, fitted to grip tree limbs, and

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their calves are undeveloped, rudimentary as it were, because their cheerful ancestors, until enslaved, did little walking, working or worrying. They have the aristocratic ear, limb and love of music. Nose? Oh, that is owing to the hot climate and expanded air." And I had nothing to say.

The board of inquiry appointed by Fire Commissioner Waldo of New York to investigate the fire in Washington street, where two firemen lost their lives, held its final session on Thursday. Each member of the commission handed in his report to the commissioner. Those of Deputies Lally and Langford and Battalion Chief Howe agree in expressing the opinion that **Chief Croker** mismanaged the fire. They do not recommend his dismissal, but claim that he is chiefly responsible for deficiencies in the fire fighting system of New York. Chief Croker makes a minority report, stating his side of the case, but refraining from recommendations. It is understood that the reports will be made public by the fire commissioner today or on Monday.

Life insurance stock which glitters is not always gold. Stockholders in the **Atlas Life of St. Louis,** which never developed to the point of writing business, were advised some time ago by the directors to merge with the Republic Life of Kansas City. The Citizens National Life of St. Louis heard of it and made a more attractive offer. This encouraged some to try to resell their Atlas stock at a higher figure, and a receivership was threatened. Now an arrangement has been perfected outside of court by which Atlas stockholders can have back what money they have paid in, less heavy organization expenses. Much of the stock was paid for by notes, collection of which in full will be enforced.

At the thirty-eighth annual meeting of the **New York State Association of Supervising and Adjusting Fire Insurance Agents** at the Hotel Frontenac, Thousand Islands, July 13, E. H. Hornbostle, a field man for the Germania, was elected president of the association. The other officers elected are H. G. Morgan, of the Home, vice president; S. B. Sullivan, of the Hartford, secretary-treasurer. Executive committee: J. M. Crothers, Phœnix of Hartford, chairman; W. W. Lenox, Hartford; C. W. Phelps, Citizens of Missouri; Frank S. Tyler, Queen; Frank E. Burk, Home; J. A. Jordan, Continental; J. H. Vreeland, Liverpool and London and Globe, and P. W. Clark, Insurance Company of North America.

The insurance commissioners not in sympathy with the court decision in the **Union Central Life case** do not propose to let it remain in its present status without further contest. The late decision in favor of the company is believed by them to be reversible in the higher courts, and at the last meeting of the executive committee a committee of five was appointed of which Superintendent Hotchkiss is the chairman, to evolve a plan by which the matter can be taken up in connection with the company's officials, or without them if they decline to co-operate. Their report will doubtless be one of the important items of business to be considered at the coming convention at Mobile.

A fire in Campbelltown, the **largest red cedar shingle center in North America,** on July 11 burned more than 1,000 buildings, made 5,000 people homeless, and caused a loss to insurance companies of over $900,000, of which Hartford and Brooklyn companies are said to carry about $100,000. The Canadian Government, which does not insure its property, is a heavy loser through the destruction of the Intercolonial railroad property. The town of Richardsville, 2 miles away, was burned at the same time, and 400 people are homeless there. Tents were supplied from the military storehouses for shelter.

The fire last Sunday at the **Chicago stockyards** seemed to burn away the dissatisfaction said to have been felt by the packers concerning the **patrol service** at the yards, and at the meeting of the Chicago Board of Underwriters Thursday the packers paid up their share of the expense, and it was voted to continue the service on the same basis, the packers paying one-half the cost. The board elected the following to the executive committee: S. D. Andrus, Western manager of the Georgia Home; B. N. Anderson, of Brown, Anderson & Young, and Thomas Cooper, of the Royal Exchange.

The fire marshal of the city of New York sent to Fire Commissioner Waldo on Monday reports of **fires** that occurred in **New York on July 4** for the last three years. In 1908 there were 48 fires directly attributable to fireworks; in 1909 there were 176 such fires, and in this year there were only 33. Manhattan and Bronx and Richmond had only 9 such fires this year, but in Brooklyn and Queens there were 24. Out of the total number of 191 fires on July 4 in 1909 the damage amounted to $20,000, while for this year the total amount of damages for all kinds of fires was $3,726.

One of the pleasant features in connection with the last annual convention of the **National Convention of Insurance Commissioners** was the carefully worked out **railroad schedule** prepared by Commissioner Button, of Virginia, by means of which each party journeying toward the convention city knew exactly where and when other parties would be joined. Naturally Colonel Button was delegated to perform the same service for the 1910 convention, and he was in New York on Wednesday in conference with various railroad officials.

In Missouri Insurance Commissioner Blake is using the revelations in the **Continental Life and International Fire receivership** to develop sentiment in favor of a bill to be introduced in the next Legislature, giving the department control over insurance corporations during the period of formation, as New York State has done. He declares that many abuses have been committed in the payment of excess commissions, but that he has had no authority until after the company has been granted a license to write insurance.

Following the return to London of Manager E. B. Hiles, of the fire insurance department of the **Royal Exchange Assurance of London,** comes the announcement that the company will do a fire insurance business **in Canada.** The Canadian head office will be in Montreal, where Arthur Barry has been appointed manager for the Dominion. The Royal Exchange is in the last decade of its second century, having been founded in 1720, during the reign of King George I.

The handsomely bound **"1910 Dividends"** published by A. J. Flitcraft, of Oak Park, Ill., and setting forth the dividends on all ordinary, twenty payment life and twenty payment dividend policies, issued by companies doing business in the United States, is just at hand. The information is conveniently arranged for quick comparison, and the book should be of great service to life insurance men. It sells for $1.50 in leather, with discounts for large quantities in one order.

A case in the Supreme Court in Washington affords a decision that a violation of policy contract **voids a policy** in case of loss, whether the violation is in existence at the time of the fire or not. In this instance a sprinkler equipment had been disconnected for a period of twenty days, and connected again before fire broke out, but water had not been turned on. The company held that a needlessly long time had been occupied in making repairs, and was sustained in court.

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A pension has been granted **to William Blair,** for twenty-two years general agent in this country for the London and Lancashire and Orient insurance companies. Mr. Blair will shortly return to his old home in Melbourne, Australia. He began his insurance experience with the home offices of a number of English companies, and was manager of the Sun for Scotland when he was but twenty-one years old. Mr. Blair will leave America about October 1.

The **American Life and Annuity of Pittsburgh** has received the resignation of its president, secretary and treasurer, and has elected in their places Lyndon D. Wood, R. H. Allen and R. P. Albright. Mr. Wood is the author of the "Pension Policies," and it is announced that the society plans to write a "Pension Life Certificate" and an "Old Age Pension Certificate." Several new States are to be entered at once and an active campaign carried on.

The **Chicago Board of Underwriters** had, it is announced, determined to raise the basis rates at the stockyards prior to the fire of last Sunday, which was a total loss on the hay barn building. The building was of concrete and brick and had been regarded as a superior risk. The heat of the burning hay, however, caused the steel girders to warp and bring down the building. The insurance was $52,500 on the building and $35,000 on contents.

The receiver for the **Continental Life** and the **International Fire of St. Louis** finds that in many cases of bank subscriptions for stock certificates of deposit were accepted instead of cash payments. Some of the banks have confiscated bank books when attempts to verify deposits were made on the ground that they had been deceived by the promoters. The receiver will attempt to collect for every dollar of stock placed in this manner.

The **fire protection** facilities at **Bristol, Va.,** are inadequate, according to the report of an inspector of the Southeastern Underwriters' Association, who finds a single main connecting the system with the reservoir, which main has heretofore been subject to breaks requiring that it be cut off entirely for purposes of repair, leaving the city absolutely without protection. The reservoir has in times of drought been entirely empty, the report says.

The annual meeting of the **Association of Agents of the Northwestern Mutual Life** is to be held at Milwaukee, July 19, 20, 21, in a pavilion on the roof of the home office building. Two New York men will contribute to the fine program which has been arranged. They are E. M. Carroll, who will talk for five minutes on "Creative Soliciting," and Robert R. Reid, who will give a paper on "The Future of Life Insurance."

The **Augusta Fire insurance company,** now forming in Georgia, will make every effort to be ready by October 1. It is said that subscriptions amounting to $300,000 have been made, and that as soon as they are paid in the company will start doing business. The $200,000 additional authorized will not be asked for until needed for purposes of expansion. The company is looking for an experienced underwriter.

The Willard N. Compton general agency of the **John Hancock Mutual Life** has this week placed a $50,000 policy on the life of a salesman for a well known article for the benefit of his employers. The young man controls New York city for his company, and, having no understudy, his loss would be a serious one for his firm, hence their willingness to invest when the subject was properly placed before them.

A letter from H. C. Stockdell, chairman of the organization committee of the new **Merchants and Manufacturers Fire of Atlanta,** to President Henry W. Eaton, of the Fire Underwriters' Association, states that the new company will apply for admission to the association as soon as it is ready for business. Mr. Stockdell heartily approves of the business plans and principles of the new organization.

The **American National Life of Lynchburg,** Va., has just closed the most successful half year of its existence. The company has nearly six millions of business now in force; its income this year will amount to over $200,000; its admitted assets have increased about $30,000, and its mortality record of late is almost unique, the death losses amounting to only $2,000 in the last nine months.

A new company has been registered in London under the ægis of the famous Gresham Life, to be called the **Gresham Fire and Accident.** The capital is to be £500,000. Business will be conducted quite apart from that of the life insurance company, although the directorate will be the same. The manager will be T. Brand Miller, now branch manager of the Guardian Fire in Manchester.

The executive committee of the **Fire Underwriters' Association** met this week and organized for work. President Henry Evans of the Continental and Fidelity-Phenix has not yet signified his intentions regarding the new organization, but it is understood that he is opposed to the feature of the agreement which does not recognize the contingent plan of commissions.

A Wayne County, Pa., man had an advertisement in a New York city paper not long ago offering a $3,000 **London Lloyds fire insurance policy for sale,** and on investigation it was learned that the man to whom he wished to sell it would be someone who had more time to collect it than he had. The policy covered an automobile which was burned late in 1908.

The reference to possible amalgamation in the call for the annual meeting of the **Franklin Life of Illinois** is explained by the statement that the law requires a thirty days' notice when any reinsurance matter is to be considered, and it was merely to make ready for any possible reinsurance contracts that might be offered that the matter was included in the call.

The joint committee appointed by the Western Union and the Western Bureau of Non-Union Companies, to consider the **reduction of expenses in the West,** has received a sufficient number of encouraging replies to justify the calling of a general meeting of fire insurance companies for Tuesday, July 26, at the rooms of the Chicago Board of Underwriters.

Would-be investors in new insurance company stock promotions would do well to compare the literature of promoters, promising high dividends, with the record of Missouri, in which State only seven of the last seventeen stock companies organized are still in existence, ten having failed or reinsured. Only two of the seven have paid a dividend.

The constitution revision committee of the **South Eastern Underwriters' Association,** for the appointment of which pro-

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vision was made at the last meeting, has been announced as follows: S. Y. Tupper, chairman; E. H. A. Correa, Milton Dargan, C. H. Coffin, Clarence F. Low, W. E. Chapin, Henry E. Rees, Charles J. Holman and Rhodes Brown.

The **local agency** of Edwin A. Treat at Hartford, Conn., has been purchased by **Horace S. Howe,** for several years general agent for the United States Casualty. Mr. Howe will represent the Hartford, Continental, Boston, Citizens, City of New York, Pennsylvania, Commerce, State Fire of Liverpool, Reliance and Central National.

The committee on examinations of the National Convention of Insurance Commissioners has designated the Pennsylvania and Virginia departments **to examine the People's Fire of Philadelphia,** a Delaware corporation, with home offices in Philadelphia. The examination started on Monday of this week.

The **Association of Southern Fire Insurance Companies,** now in a tentative state, will shortly meet to settle the question of permanent organization. The idea is to promote the interests of fire insurance, and to stimulate the patronage of Southern people for Southern companies. Harry Bush is president.

A court decision upholding the suicide clause in a policy of the **Industrial Mutual Indemnity** has been obtained in the action brought by the widow of W. N. Watt, of Hot Springs, Ark., who died from self inflicted pistol wounds, which the widow claimed were accidental, but which the court declared to be suicidal.

The latest court order with regard to **the Wolfe Building** at 80 and 82 William street, this city, which is one of the chief assets of the Guardian Fire of Pittsburgh, is that three suits affecting it may be settled by the receivers, and that no further attempt to dispose of it shall be made without a new court order.

The executive committee of the **Fire Underwriters' Association** has elected R. M. Bissell, vice president of the Hartford Fire, chairman of the committee. A. E. Duncan, president of the Franklin Fire, who has been appointed vice chairman, will act during the absence of Mr. Bissell on vacation.

An order by a Nashville, Tenn., bankruptcy referee settles the question of whether **policy registers** belong to the agent by refusing to allow the companies to have possession of one in dispute. Nashville local agents regard the order to be of practically the same effect as a Federal court decision.

The redrafting of the **proposed fraternals' insurance bill** was completed at a conference of Commissioners Lemert, of Ohio, and of Folk, of Tennessee, at Nashville last week. It will be submitted to the National Convention of Insurance Commissioners at Mobile in September.

The **Home Life insurance company of Oklahoma** has just been chartered to do a general life and accident business. It will have home offices at Oklahoma City. The capital is $100,000, and the general manager of the company is E. J. Wood, an experienced life insurance man.

Among recent **applicants for membership in the Western Union** are M. Lewin Hewes, president of the Standard Fire of Hartford; Claude F. Snyder, secretary and manager of the Henry Clay Fire of Kentucky, and Joseph W. Walt, secretary of the Woodmen Fire of Lincoln, Neb.

The **new dwelling tariff in Wisconsin** carries a rate of 35 cents flat as against a 40 cent rate, with exposure charges. Many agents are now applying the new rate even in towns not yet rated, and the Winconsin Inspection Bureau may promulgate the new tariff for such towns.

"Business needs a rest" is the observation of Chairman Gary of the Steel Corporation, and he wisely adds: "There should be **less new legislation** and a better observance of the laws already in existence. The country wants industrial peace."

Shrinkage of stock securities will be given as the reason for a shrinkage in surplus and assets of many fire insurance companies when the semi-annual statements are issued. The slump is said in some cases to be as much as 20 per cent.

The standard typewriter form of fire insurance policy, recently submitted by the committee of the New York Board of Fire Underwriters, has been approved by Superintendent Hotchkiss, and the same will be put in use January 1.

The stockholders of the **Commonwealth Life of Omaha** voted not to dissolve the company, but to reorganize and go on. Of the $340,000 of capital stock subscribed $63,000 has been used for promotion expenses.

The stockholders having completed payments, as announced in this paper two weeks ago, the **Ætna of Hartford** has filed a certificate of increase of capital from $4,000,000 to $5,000,000.

The **Merchants Fire Assurance Corporation** was licensed to do business in Minnesota on June 20. It has capital of $200,000 and surplus to policyholders of $499,289.10.

On July 15 **E. N. Goodwillie** completed his twenty-fifth year of service with the Chicago Board of Underwriters. He is now serving as superintendent of ratings.

The **General Fire Assurance Company of Paris** was on Thursday authorized by Superintendent Hotchkiss to do a fire insurance business in New York State.

The **Northwestern National Fire** has applied for membership in the Western Sprinklered Risk Association, giving it a total of twenty-one companies.

The Iowa Insurance Department has ruled that a **tornado rider may be attached** to the standard fire policy under the Iowa statutes.

A policy for $5,000 was carried by the late **Chief Justice Fuller** in the Equitable Life Assurance Society. It was issued in 1882.

The annual meeting of the **Indiana Agents' Association of the Ohio Farmers** will be held at Winona Lake on July 26 and 27.

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The annual meeting of the **Wisconsin Association of Local Fire Insurance Agents** will be held August 19 at Milwaukee.

The Illinois Insurance Department has been designated to examine the **Modern Woodmen of America** shortly.

The annual outing of the **Milwaukee Board of Fire Underwriters** will be held at Waukesha Beach July 16.

The **Des Moines Fire** has withdrawn from Minnesota, and will probably reinsure its business in that State.

The **Chicago Indemnity Exchange** has recently called on its members to pay losses aggregating $75,000.

The **Phœnix of London** is now writing marine business on the other side.

The **Ohio Farmers** is likely to enter Illinois.

Personal.

AGENCY APPOINTMENTS.

American Surety: F. B. Holdridge, manager for the Central States, with headquarters in Chicago, to have supervision over Ohio, Indiana, Illinois, Wisconsin, Missouri, Iowa, Minnesota, Nebraska and Colorado.

Continental Casualty: Thomas M. Thackeray, Chicago manager for commercial lines.

Fidelity-Phenix: W. P. Clements, special agent assisting State Agent C. F. Thomas in Texas.

Fireman's Fund: Marshall & McElhone, Chicago managers of the automobile department, heretofore managed by Orr & Wall, who have gone to New York.

Liverpool and London and Globe: A. T. Jones, special agent in Wisconsin.

Massachusetts Fire and Marine: Ross E. Wickham, State agent for New Jersey.

National Life U. S. A.: R. E. Hooyer, general agent for Colorado. B. F. Hopkins, of Memphis, general agent for western Tennessee and northern Mississippi.

Queen: W. E. McCullough, Wisconsin State agent, to succeed Walter W. Conklin, resigned.

Standard Fire of Hartford: R. W. Hosmer & Co., sole agents for Cook County, Ill.

Messrs. John A. Jennings and George Neiley have been admitted to partnership with the firm of Field & Cowles, with which concern they have been identified for twenty years. The firm is New England manager for the Royal, and has the local agency for the Insurance Company of North America, the National and the Alliance.

Mr. S. H. Wolfe, consulting actuary, has returned to New York from San Francisco, where he has started the examination of the Pacific Surety Company for the California, Colorado and Minnesota insurance departments, and the Pacific Coast Casualty Company for the California department.

Mr. A. M. Payne, superintendent of the New York branch of the Travelers liability department, is spending a month at Asheville, N. C. Mr. R. L. Chase, of Hartford, just appointed to be assistant to Mr. Payne, is in charge of the offices in the Metropolitan Building.

Superintendent Hotchkiss, of the New York Insurance Department, "Wednesdayed" at the New York office of the department on the twenty-eighth floor of the City Investment Building at 165 Broadway.

Mr. W. W. Admire has resigned as agency superintendent of the American Assurance Company of Philadelphia, to become manager for the State Life of Indiana for eastern Michigan, with headquarters at Detroit.

Mr. James O'Kane, cashier for the Western department of the Ætna of Hartford, completed forty-six years of service with that department on July 5. Of this forty-three years has been spent as cashier.

Mr. Joseph M. Raleigh, for several years special agent for the Phenix of Brooklyn in Virginia, and later with the Fidelity-Phenix in the same field, has resigned, effective July 15.

Mr. Alfred R. Grim, one of the Pacific Coast managers of the Aachen and Munich, Caledonian, Caledonian-American and Scottish Underwriters, died at San Francisco June 30.

Mr. Eugene L. Isaac, who has been with the Massachusetts Mutual Life in St. Louis, has been appointed general agent for the Equitable Life of Iowa in St. Louis.

General Agent W. H. Ellis, stationed at Bryan, Ohio, for the Union Central Life, has just completed twenty years of work for that company.

Mr. A. G. McIlwaine, Jr., president of the Orient insurance company, has been elected president of the Insurance Institute of Hartford.

Mr. John E. Borne, a director of the Home Life of New York, died at his home at Garden City, L. I., July 11.

President Charles R. Peck, of the County Fire of Philadelphia, sailed today for a brief trip through England.

Mr. Everett P. Maule, general agent at Maule, Tex., for the Union Central Life, died July 5 at San Antonio.

Mr. Allen Waters, superintendent of agents of the Union Central Life, has returned from a trip abroad.

Vice President Bissell, of the Hartford Fire, sailed for Europe today on the steamship Minnetonka.

Mr. R. C. Dudley has been appointed State manager for Kentucky of the Union Life of Chicago.

Secretary A. M. Thorburn, of the local branch of the Sun, is to sail for England on July 23.

Mr. Charles H. Post, United States manager of the Caledonian, is in Europe on business.

Mr. Leslie W. Gray, a prominent Los Angeles local agent, died June 30.

Casualty and Surety Insurance.

The committee of **liability underwriters,** to which the duty was assigned of **arranging new rates and commissions** on New York liability business after September 1, when the new laws go in effect, was in session yesterday when this paper went to press. The committee has been striving with might and main, here and at Hartford, to arrive at a conclusion that will be just to both insurers and insured. The advising attorneys have reported that the new laws will in all probability be held to be constitutional, and, as stated elsewhere in this issue, policyholders have been advised that their present policies will not cover after September 1. It is expected that the rates of commissions to be recommended by the committee will not be over 5 per cent., and it is believed the committee will report in favor of a rate about 400 per cent. higher than the present rate. It is regarded as certain that uniform commissions and rates will be advised, whether the particular figures quoted above prove to be the correct ones or not. The meeting was attended by every member of the committee.

A liability underwriter of considerable experience said on Tuesday, with regard to the **new New York liability law,** that it is well known that America is far behind foreign countries in the development of liability legislation, and that the legislators, not caring to adopt English or German laws verbatim, evidently attempted to combine and condense and revise, with the result that the legislation now on the statute books is something both fearful and wonderful to behold. He likened it to a badly decayed tooth being made more painful by poor dentistry. As a single instance of the many litigation-brewing paragraphs of the law, he quoted one in Section 215, which reads as follows in specification of the dangerous employments intended to be covered by the new system of compensation: "The erection of any bridge or building in which there is, or in which the plans or specifications require, iron or steel framework." The underwriter pointed out that workmen on a three story building, involving iron structural work, were placed in the same class as those on a fifty story steel structure, and also called attention to the omission of any limit to the application of the law on such a job, since the word "erection" is open to be construed as covering every man on the job, from the one who turns the first shovelful of earth to the last painter and paper hanger in the building. The conference of liability men at Hartford this week resulted in the unanimous opinion that present liability policies do not cover the compulsory compensation feature of the new law, and notices to that effect will be mailed immediately to all policyholders. Those who desire the additional protection after September 1 must make application for an indorsement to that effect, for which a high rate must be charged, although the exact figures have not as yet been determined upon.

The plan to **guarantee cotton bills of lading,** which seems to be the only way European banking interests can be induced to help finance the harvesting of the 1910 cotton crop in this country, when it is completed and put into successful operation will be a mighty good job off the hands of a few hard working surety men and bankers. The committee

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headed by Vice President Joel Rathbone of the National Surety returned early this week from a trip through the South, and has been engaged in various conferences during the week without coming to anything definite in the matter, except to receive the positive statement from European bankers that they would have nothing to do with any bills of lading this year that were not guaranteed. American bankers feel it is not their business to provide such guarantees, and it is up to the surety companies. Another conference has been arranged for July 19, between representatives of the banks, the surety companies and the railroads, at White Sulphur Springs, Va., and it is hoped by cotton growers that something may be decided upon at that time. The time for making the necessary arrangements for moving this season's crop is growing short. The question of rates is the chief cause for delay, the surety men believing the service is worth 25 cents per bale, while the growers declare that even 10 cents would be a high rate.

News of interest **to people over sixty** years of age is contained in the announcement by the **Pennsylvania Casualty** that it will write insurance on them as an experiment, though proceeding carefully at first. The announcement of the company is as follows:

Owing to the rapidly increasing cost of carrying health insurance at ages above sixty, the company has in the past lapsed all regular industrial policies when the assured attained the age of sixty. Lapsing combination health and accident policies at the age sixty has been the practice of practically all of the casualty companies, who have found that it is impossible to obtain the greatly increased rates necessary each year between ages sixty and seventy in order to carry the business. While doubtful as to the advisability of so doing, this company at the earnest request of many of its agents will try as an experiment the continuing of those policyholders who have been insured with the company at least one year prior to attaining the age of sixty upon their paying an additional premium of 50 cents for the benefits regularly provided for $1 for men under fifty. In other words, the regular disability policy would cost $1 for men under fifty, $1.50 for men under sixty, and $2 for men sixty or over. No new business will be accepted where the assured has attained the age of sixty, and this increased rate shall apply only between the ages of sixty and sixty-five.

Changes in surety forms for New York city **excise bonding** this year will be slight, if any. The new law limiting saloons to one for each 750 of population will perhaps have some deterrent effect on saloonkeepers who have heretofore shown a tendency to violations of the law, although bonding companies expect their loss ratio from this cause will be but slightly reduced. It has been figured out, however, that in about ten years the restriction, if not removed by legislation, will give each license in existence a definite value of from $2,000 to $10,000, in which event those who own them will exercise all possible care to avoid a revocation, and then it will be possible for excise bonding to be a profitable branch of the surety business. At present, however, the big companies are writing excise bonds at a loss, and small companies are not writing them at all. The rumored organization of a surety company among saloonkeepers for their own benefit has not yet materialized.

Accoring to the Hartford *Times*, Edmund Dwight, resident manager for New York State Employers' Liability; Charles C. Edwards, A. Duncan Reid, executive superintendent of the Ocean Accident and Guarantee of London, and F. W. Catlin and B. L. Pettigrew, all of New York city, were **guests of the Ætna Life** Tuesday afternoon, when they and President Edson S. Lott, of the United States Casualty of New York city, were entertained at lunch in the Hartford Club by President A. C. Dunham, of the Travelers. Secretary J. Scofield Rowe, of the Ætna Life, was also a guest, as were Secretary W. G. Cowles, of the Travelers liability department, and Manager T. W. Lyman, of the claims department. Most of the officers of the Travelers were present, and attorneys for a number of insurance companies were in the gathering. The party discussed present liability forms.

The Comptroller of the Currency has approved applications to organize the following **new national banks:** The Lincoln National Bank of Detroit, Mich., capital $500,000; First National Bank of Clearwater, Fla., capital $25,000; First National Bank of Linglestown, Pa., capital $25,000, and Plains National Bank of Amarillo, Tex., capital $300,000. Certificates have been issued authorizing the Citizens National Bank of Poland, N. Y., capital $50,000; City National Bank of Wellington, Tex., capital $25,000; the First National Bank of Mertzon, Tex., capital $25,000; the First National Bank of Burlington, Wash., capital $25,000, and First National Bank of Sterling City, Tex., capital $60,000, to begin business.

At the July meeting of **the Surety Association of America** at the Waldorf-Astoria Wednesday, President Henry D. Lyman of the American Surety Company presided, and a number of important matters were discussed. No action was taken with regard to bank depository business in Indiana, although the subject was discussed. Likewise the competition of London Lloyds in the fidelity business was laid aside without action, owing to the absence of the member most interested. The greater part of the time was occupied in discussing the cotton situation, which is in the hands of a special committee. Its report Wednesday was not made public. Adjournment was taken until September.

The Missouri Legislature will be asked by the life and accident companies next session to repeal the present law which eliminates **suicide** within six months **as a defense** unless it can be shown that the decedent contemplated suicide at the time the policy was produced. Superintendent Blake is opposed to the statute as it stands, and the accident companies are interested, inasmuch as it virtually makes suicide an accident. It is believed that suicide is encouraged among those who are financially impaired and discouraged, who know their estates may be benefited by a policy of insurance, followed by suicidal death.

The pamphlet entitled **"The Prevention of Industrial Accidents,"** which was prepared by Frank E. Law, M. E., and William Newell, M. E., of the engineering staff of the Fidelity and Casualty, has won a wide circulation among employers everywhere, and is recognized as the most practical treatise in existence on this most vital question. Recently a code of instruction has been issued to those in charge of steam boilers covered by this company's policies which, if obeyed, ought to reduce boiler casualties to a minimum.

Something like **practical investigation** of prevention of accidents and industrial relief and insurance, as practiced **in England and Germany,** will be made by the special commission of the National Association of Manufacturers, which has sailed for a tour to last about six months. The commission will establish headquarters in London and Berlin, and will pursue an exhaustive investigation of methods employed by these Governments for the prevention of industrial accidents and the compensation to workmen who are injured.

Uninsured **passengers in automobiles** who rely on the owner for the safe ending of the trip should be careful to learn whether the auto is registered or not. A case reported in West's *Docket* gives a court decision that an unregistered automobile is a trespasser on the highway, that the passenger therein is not a traveler, but a trespasser, and that no re-

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sponsibility for any damages on account of road conditions can lie against the municipality in which said bad roads are located.

The stockholders of the **Enterprise Casualty Company** of Philadelphia, which never attained the dignity of doing actual business, have agreed on a committee to wind up the company in order to avoid the expense of a receivership. .The committee consists of J. D. Kelly and W. E. Bernand, of Philadelphia, and W. W. Laird, of Wilmington. There are about $110,000 on hand with which to settle stockholders' claims amounting to $221,000.

The announcement that F. H. Kingsbury is to be manager of the liability department of the **United States Casualty** is erroneous, says President Lott. Mr. Kingsbury, as executive superintendent, will from time to time be engaged with liability problems, but will also have work in other departments of the company's work. Mr. Thomas E. Malcolm, who has been for twenty years in charge of the liability department, will remain there.

Since the dismissal of Detective Pumphrey, of the Baltimore police department, it has come to public notice that it **has been customary** for companies writing burglary insurance **to pay detectives** in large cities a bonus of 10 per cent. for all stolen property covered by burglary policies and afterward recovered. It is claimed that without such bonuses it was impossible to get the detectives to find the stolen goods.

The **New Amsterdam Casualty** has appointed Samuel B. Brewster to be its manager for New Jersey and eastern Pennsylvania for all departments. Mr. Brewster was executive special for the Empire State Surety Company, and previous to that was a vice president of the Ætna Indemnity. He will conduct a general insurance agency at Newark.

Liability rates are to go up on September 1, but agents' profits will remain normal on account of a reduction in commissions, which goes into effect the same day. Liability companies believe the number of lawsuits following accidents will be greatly increased after the new law goes into effect.

Personal accident and health and fidelity bonding will be taken up by the **New Jersey Plate Glass,** which is now writing plate glass and burglary lines, as soon as arrangements are completed. The charter amendments have been made and approved, and the increase in capital has also been approved.

A circular just issued by Insurance Commissioner McMaster, of South Carolina, calls attention of his people to the tremendous fire waste, and **urges** that **the use of** wooden shingles for roofs be discontinued, and that **metal roofs** be used instead. Great care in building chimneys is also urged.

The **Independent Surety** of New York, announced recently as to lie dormant for a time, has indefinitely postponed its organization, probably because the interests it was to serve have been able to make satisfactory terms with other surety companies.

The resignation of H. H. Lovell, active underwriter of the **Kansas City Casualty,** has been offered, effective as of July 1, and he has returned to his Chicago brokerage business, having successfully launched the company.

It is interesting to note that of the $1,272,233 of **defalcations** reported **in May** in the Fidelity and Casualty bulletin, only $457 is chargeable to the dishonesty of bonded insurance employees.

The death of Dr. Mihran K. Kassabian, one of the first physicians in Philadelphia to become an X-ray operator, on July 12 was from burns inflicted through association with the **Roentgen rays.**

In England a woman was fatally burned by a fire which started through the **explosion of a celluloid comb** in her hair, which became overheated while she was toasting bread.

The **Illinois employers' liability commission** is preparing to have public hearings soon to get the views of employers and others on the bills to be submitted to the Legislature.

The **Atlantic Casualty Company** of Philadelphia has elected Reinhold R. Koch, president of the American Assurance Company of that city, to be its president.

Among those who **will tour Europe** this summer is President William B. Joyce, of the National Surety, who will sail the latter part of July.

The **Provident Life and Accident of Tennessee** has abandoned the assessment business, and has reorganized on the stock basis.

The **Maryland Casualty** has been licensed to do a fidelity and surety business in Massachusetts in addition to its other lines.

The **American Casualty of Baltimore** has been licensed to do business in Oklahoma in fidelity and surety lines.

The **Lion Bonding and Surety Company of Nebraska** is preparing to enter Kansas, Iowa and Missouri.

Obituary.

Death of Vice President Leslie D. Ward of the Prudential Insurance Company.

Dr. Leslie Dodd Ward, first vice president of the Prudential insurance company, died on Wednesday evening in London after a week's acute illness. He arrived in England only recently from New York, and was not in good health, but his condition was not regarded then as serious. While attending a performance at a theatre on July 7 he was overcome with drowsiness and had to be assisted to his carriage. It was found that a blood clot had formed on the brain. Although Dr. Ward showed great resisting power, which led to hopes for his recovery, the development of pneumonia sapped his remaining strength, and he had been unconscious since Saturday.

The late vice president was a native of Madison, N. J., where he was born July 1, 1845. His ancestors, who came from England, were among the founders of the city of Newark, N. J. He was educated at the Newark Academy, and while yet a mere boy left there to go to the front in the Civil War as a member of the Thirty-seventh New Jersey Volunteers.

After the war he entered the College of Physicians and Surgeons, receiving his degree in 1868. He practiced medicine in Newark, taking high rank in his profession and acting as county physcian of Essex County for many years. In 1874 he joined Mr. John F. Dryden in founding the Prudential, of which he was medical director. He was elected first vice president of the

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company in 1884, and was in charge of both the home office and the field force.

Dr. Ward was also director of the Fidelity Trust Company, the Union National Bank of Newark, the National Surety Company of this city, the Public Service Corporation of New Jersey and the American Steel and Wire Company. He belonged to the Union League, the Lawyers', the Essex, the Morristown, and the Morristown Golf clubs, and was president of the Essex County Country Club. He was for many years staff surgeon of the Essex Troop.

His knowledge of the fine arts was intimate. He was president of the commission in charge of the $2,000,000 Essex County court house in Newark, which was completed about four years ago. The elaborate decorations of both the interior and exterior were chiefly the result of his suggestion and work. He had made valuable collections of rare pictures for his home in Newark and his country estate at Brooklake Farms, near Madison, N. J., and his libraries contain thousands of valuable volumes.

On March 5, 1874, Dr. Ward married Miss Minnie Perry, daughter of James Perry, of Newark. She died several years ago. One son, Herbert Edgar Ward, also died several years ago, leaving a daughter. Another son, Leslie Perry Ward, survives him.

Communications.

The Eastern Commissions Situation Discussed by Mr. Frank Lock.

To the Editor of The Weekly Underwriter:

My attention has been called by THE WEEKLY UNDERWRITER to the editorial recently published in the *Agency Bulletin* of the National Association of Local Fire Insurance Agents, under the caption of "The Commission Situation." It appears to me that the able and versatile editor has not given his best thought to this matter, or he would not jump to the conclusion that the new agreement is one in which "the companies have amply provided for themselves," without consideration for the public or the great body of their local agents.

It is generally understood that when the agreement goes into effect and brokerages are restricted this fact will be recognized in the rates charged to the public.

As to the benefit to the agents, it must be borne in mind that this present agreement is considered as the alternative to a chaotic condition, both in rates and commissions. Such a condition has never yet resulted for the benefit of local agents, and it is not easy to see how it could produce this effect other than in a mere transitory running up of commissions in the strife of competition incidental to a rate war. The true interest of the agent is in preserving a steady balance in conditions.

It is also overlooked in the editorial that the companies find themselves in a position where they needs must take some action looking to the restriction and equalization of commission costs. Warnings, serious and unmistakable, have come to the effect that if the companies do not themselves put their houses in order in this respect, it will be done for them by State authorities, and when the States shall have reached that point that they make the rates for the companies, and dictate the commissions, it is difficult to see what there will be left for the companies to do except to be recording agents of the State authorities.

It would seem to be in the true interest of the local agents that the companies take this matter in hand in some feasible way. There are many who believe in contingent commissions. The undersigned is one of them, but at the same time it is not believed that the rate of commission, as a whole, should exceed 15 per cent. or its equivalent. At the present time commissions paid for business equal just about 50 per cent. of the total outlay of every sort and kind, except losses and dividends.

Criticism is made that in the agreement there is no grappling with the ills of multiple agents, side liners and those who generally come into the business as excrescences or parasites. Here, again, it would seem obvious that it is high commission rates which attract into the area a swarm of men who are not legitimate fire insurance men, but who find it worth while to give their time or a certain amount of it owing to the high commissions paid, ranging anywhere from 25 per cent. to 50 per cent. Naturally a restriction of brokerages and commissions will strike at the very root of such evils, without the necessity of labeling each individual ill with its own proper name.

The foregoing remarks have no reference to the legitimate brokerage business as found in the large cities, which feature in such cities would seem to be as necessary as the local agency itself, if the business of fire insurance is to be handled in any way for the convenience of the public.

Certain general statements are made in the editorial referred to to the effect that "there is graft and waste in official salaries and home office charges, State taxes and commissions which should be eliminated." A statement of that kind means nothing. As to State taxes, certainly the companies have done everything which is within their power to get the item reduced to proper proportions; beyond that which they have done they are helpless. As regards official salaries and home office charges, there is no evidence of graft or waste in such matters. All the weight of evidence is the other way—to the effect that as regards the administration charges they are extremely moderate. The published reports of the insurance departments is evidence to this effect. This only leaves brokerages and agents' commissions, but this residuum, as before stated, is 50 per cent. of the total business cost. The agreement proposes to deal with brokerages in the large cities. As to commissions, over the greater part of the territory affected 15 per cent. is now the recognized rate, and it is what is now paid upon the great bulk of the business. It is not proposed to make any reduction in this. What is proposed is an equalization, and should that be effected it certainly will not be a detriment to the better class of agents, for whom the editor makes his plea, as they will be distinctly bettered by the elimination of irresponsible and untrustworthy elements, such being of a class which are never attracted by the 15 per cent. rate. It goes without saying that a vast number of high class agents are getting more than 15 per cent., but it is almost equally incontrovertible that the kind of people so bitterly complained of by the editor are found almost wholly among those who receive more than 15 per cent.

The class of agents who constitute the strength and backbone of the National Association of Local Fire Insurance Agents would, in my opinion, certainly be distinctly benefited by an organization such as that of the Fire Underwriters' Association.

FRANK LOCK.

NEW YORK, July 14, 1910.

Insurance Legislation.

Louisiana.

BATON ROUGE, July 8.—Except with regard to fire insurance, the Louisiana Legislature, which adjourned last night, acted very conservatively. Of the bills hostile to the corporate or business interests of the country all were finally killed except the one introduced by Representative Byrne, of Orleans, to regulate fire insurance rates by means of a State rating board, to be composed of three members, one of whom is to be the State fire marshal, the other two to be appointed from private life by the Governor of Louisiana. The Byrne bill was signed by Governor Sanders, and has now become one of the acts of 1910, and will become operative within twenty days, promulgation being first necessary.

A companion bill, levying an additional license tax graded at the rate of two-fifths of 1 per cent. on the total amount of annual

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premium receipts (less return premiums and reinsurance in authorized companies) of all fire, tornado or wind storm insurance, was also passed, and has become a law of the State.

The provisions of the Byrne act are quite drastic in some respects, but much will depend upon the way that the State rating board elects to carry on the business of the board. The new fire marshal, "Bat" Sullivan, is a well known business man of New Orleans, while E. F. Kohnke, talked of as the other member from New Orleans, is considered very conservative in his ideas. The third member of the board will be a business man either from Baton Rouge or from Shreveport.

House Bill No. 65, by Representative Polk, was passed by both houses and signed by the Governor. This bill permits more latitude to life insurance companies in the matter of investments.

House Bill No. 32, known as the Moise bill, placing a tax of $1 per $1,000 premium receipts upon foreign insurance companies for the support of fire departments in various municipalities of the State, after getting through the House was finally killed in the Senate. The New Orleans delegation, which supported the Byrne bill, opposed the Moise bill, on the ground that the Byrne bill was for the purpose of lowering fire insurance rates, while the Moise bill would tend to raise them.

The subject of taxation was not considered, except that two constitutional amendments were adopted, one levying a special tax of three-eighths to six-eighths of a mill for the Panama Exposition fund, and the other a good roads tax of one-quarter of a mill. Both of these constitutional amendments will have to be voted upon by the people at the next general election. The general subject of taxation was deferred, as it was thought that a special session might be called next October to decide whether the rate of taxation would be restored to the constitutional limit. It is considered unlikely now that the special session will be held.

There was only one anti-trust bill introduced. This was the Richardson bill, which originated in the House, and was promptly killed by that body. The same introducer had tried to put through a similar law in the previous Legislature.

Senate bills Nos. 105, 106 and 107, relative to liability insurance, introduced by Senator Barrett, met with strong opposition, and were indefinitely postponed or killed in the Senate a few days before the session ended. One of these was a bill relative to assumed risks by employees; one, relative to injuries caused by fellow servants, and the third a bill relative to contributory negligence. Each one of these bills sought to overturn a well established principle of law of this State, and was opposed by practically all the lawyers in the Senate. Senator Barrett foresaw that his bills were doomed, but managed to keep them on the calendar until about the end of the session.

BATON ROUGE, July 14.—The Governor signed the State rating bill today. Only one member of the rating board is known as yet, the State Fire Marshal, B. P. Sullivan, of New Orleans, who is designated as an ex-officio member. Governor Sanders is expected to name the other two members at any time.

Miscellany.

A Fulmination Against the Companies in the Eastern Commissions Agreement.

The *Agency Bulletin* of the National Association of Local Fire Insurance agents, edited by Secretary Putnam, has the following comments on the agreement entered into by the companies in Eastern territory to regulate expenses. Some remarks on this editorial by Mr. Frank Lock, the United States manager for the Atlas Assurance Company, will be found in a communication to THE WEEKLY UNDERWRITER in another column of this issue:

The companies have labored and brought forth a commission agreement. As revealed to the critical eye it shows that the companies have amply provided for themselves and will secure, if the agreement is adopted, the maximum of benefit. While the proposal of the reorganized or enlarged "Eastern Union" contains many features worthy of commendation, and which if carried out will benefit the business, yet there is a noticeable absence of anything which will directly or immediately benefit the insured or the agents.

From time to time the companies have taken advantage of current conditions to secure, or attempt to secure, a reduction in agents' commissions. In this case the plea put forward is the public agitation of the expense question, but the agreement proposed contains no arrangement for a general reduction in rates to the insured. It is therefore difficult to see what relation the matter has to public interest, other than affording the companies an opportunity to increase profits at the agents' expense.

It is claimed that this agreement is a good thing for local agents inasmuch as it proposes a limitation and control of brokerage to be paid. Admitting that there is some benefit in this feature, when all is said the fact remains that the companies propose to reduce the commissions of a very large number of their agents, and to deprive the balance of any hope of increased income through a contingent or graded commission.

In return they offer nothing. Dual and multiple agents, side liners, part time men, soliciting and non-recording agents remain to swell the income of the companies and reduce that of the local agents. The public demand is not for poorer paid and less efficient agents, but for fewer hangers-on and better local representatives.

The expense question undoubtedly needs correcting. There is graft and waste in official salaries and home office charges, State taxes and commissions, which should be eliminated; but the reform thus far proposed is entirely at the expense of the real underwriting agent, and—with the possible exception of brokerage—does not touch the graft and waste features at any point.

The companies have had their opportunity and have shown it to be their purpose to use the occasion for their utmost benefit. This is their privilege. Now the agents will be heard and we trust their voice will be sufficiently strong to secure essential changes and in particular to induce the companies to take their share of the "medicine" and cut out the barnacles.

The Fire Insurance Brokers' Point of View.

(*The Surveyor of Friday.*)

The Brokers' Association of this city has recently held two or three meetings, as a result of which the membership of the association has been very considerably enlarged. The purpose of these meetings was to discuss the situation caused by the organization of the Fire Underwriters' Association, involving an agreement to reduce all brokerage commissions to 10 per cent. upon all business except dwellings and barns. Concerning the meeting at the Down Town Association last week an erroneous impression has become current. While Assemblyman Hoey, who introduced at Albany the bill for the legislative investigation, was present at the meeting, he had not been previously invited. He sent this card up as an insurance man and was allowed the courtesy of the floor. At the same time the information he provided was very welcome. The committee appointed previously to confer with the executive committee of the Fire Underwriters' Association was enlarged at this meeting.

The brokers plainly perceive the strain between the Fire Underwriters' Association and the New York Fire Insurance Exchange caused by the terms of the commission agreement, and believe that their committee can relieve the strain and harmonize conflicting points of view, if some agreement can be reached whereby they are enabled to show dissenting companies that it will be to the latter's advantage to co-operate.

It seems to be the reasonable desire of all concerned—companies, agents and brokers—to preserve the New York Fire Insurance Exchange if possible. It will not be possible if the dissenting companies refuse to vote in the exchange for the adoption of new commission rules. The only way to make dissenting companies so vote is by the business persuasion that can be exercised by brokers as a body. If the executive committee of the Fire Underwriters' Association, in its conference with the brokers' committee, will consent to a recommendation to make a differential brokerage for the metropolitan district of, say, 15 per cent. flat on everything, the brokers' committee would probably set to work to get the fifty odd non-signers in line with the association, which action will save the New York Fire Insurance Exchange. The brokers, representing a very large premium income, believe that they can induce most of the dissenters to agree if the differential brokerage

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in New York is adopted. They have good business reasons for believing that their arguments for harmony would be powerful.

Again, it has been learned that a number of prominent brokers will be subpœnaed in the coming legislative investigation, and their expression of views, as the competent representatives of a very large and important class of owners and merchants, will be quite vital to the attitude of the investigators! A spirit of harmony and co-operation between the companies and the brokers might place a new light upon the expected "revelations" in the legislative investigation.

Effects of the Amendments to the Expense and New Business Sections of the Insurance Law on the New York Life Insurance Company.

The New York Life insurance company, in a special bulletin to its agents, explains the effects on the company of the amendments to Section 96 and 97 of the New York insurance law, which were adopted by the Legislature at its recent session, as follows:

The amendment to Section 96 does away with the discrimination against New York State companies in favor of outside companies. and the discrimination against the New York Life among New York State companies. The amended law affords the New York Life greater and needed opportunities for growth and development. The amendment, in effect, provides:

(1) That Section 96 shall apply not alone to New York State companies, but to every life insurance company doing business in New York State.

(2) That industrial policies issued upon the weekly premium plan, not alone by the Metropolitan Life, as heretofore, but by every insurance company, are exempt from the limitation of volume.

(3) That any company may in any year exceed the limit provided in Section 96 (this means that the New York Life may exceed the $150,000,000 limit in 1910) under certain conditions, as follows:

Any company may increase its new business in any year over the largest amount issued in any one of the three years immediately preceding in the proportion in respect to said amount which the difference between 25 per cent. of its net renewal premiums, computed as described in the law, and its total expenses for such preceding year, omitting first year's expenses, investment expenses, taxes and other expenses in connection with real estate, all as described in the section, bears to said net renewal premiums.

Under the amended law the New York Life in the year 1910 is allowed to increase its new paid insurance by about 13½ per cent. over the largest amount paid for in any one of the three preceding years, in other words, up to about $165,000,000 for the present year, 1910. If we pay for, say, $160,000,000 in 1910, and our expense for 1910, as described, is the same as it was for 1909, we are allowed in 1911 to pay for 13½ per cent. more than we pay for in 1910, and so on. The amendment to Section 96 is a very wise and liberal one. It puts all companies on the same basis and allows every company to do an annually increasing business in proportion to its saving in expenses outside of first year expenses, investment expenses, taxes and real estate expenses.

The change in this law does not mean any departure by the New York Life from its present plan or method of procuring business. Our present agency force, practically speaking, is sufficient to secure the small additional amount which the amended law permits the company to secure in 1910, and the normal growth of the business will doubtless meet the increased limit for 1911. We enclose with this bulletin a reprint from the *Insurance Underwriter*, which correctly expresses the views of the New York Life regarding the situation.

THE AMENDMENT TO SECTION 97

makes it plain that the limitation on first year expenses is a general limitation on companies, as heretofore construed by the Superintendent of Insurance and the courts, and not a limitation on individual agents or individual policies. It also clears up two or three disputes on the margins available for first year expenses, sustaining the view of the Superintendent of Insurance, which has been also the view of this company.

The amendment to Section 97 further contains the provision which is intended to permit this company to offer some form of Nylic to agents who are not now members of Nylic. The plan of Nylic and the compensation to be paid otherwise than by Nylic must be submitted to and approved by the Superintendent of Insurance before its adoption; also proof must be submitted to him with calculations showing that the total cost of the new Nylic does not exceed the margins permitted under the law.

A program involving Nylic to new agents is being now worked out and will shortly be submitted to the Superintendent of Insurance, and when approved will be announced to the field force. Such a program will not take effect, however, until January 1, 1911.

SPECIAL TESTIMONIAL TO PRESIDENT KINGSLEY.

Vice President Thomas A. Bucker, in the "Bulletin," quotes from President Kingsley's letter to the field force announcing the passage of the amendments to the insurance law as follows:

The bill which amends Sections 96 and 97 is now a law. This partly restores opportunity and self respect also. It is a great victory for the doctrine that nothing is ever settled in this country until it is settled right. * * Personally I am profoundly grateful for your unhesitating support during a trying period. Our practical limit this year is about $162,000,000. On July 1 we shall have seventy-five. How much of this new margin can you cover in six months? Do your best.

The vice president comments on the above, and announces that the new business secured in July will be considered a special testimonial to the honored president. He says:

Our president is modest. He makes slight reference to the great part he played in the triumph of right over might. By spoken and written word he has brought the people and those in authority to see the injustice of laws that limit and circumscribe human endeavor and initiative. He has won the victory. You in Nylic are the gainers. It will be your pleasure, I am sure, to show him day by day during July how highly you esteem him..

Between July 1 and July 31, both dates inclusive, every new application written and examined will be a tribute to President Kingsley; every thousand of new insurance will contribute to your testimonial in his behalf.

How high you shall make it rests solely with you. Often in the past this agency force has put its shoulder to the wheel and for sentimental reasons purely has advanced to tremendous new high records. Another and supreme occasion is before us. President Kingsley has won a victory of greatest importance to every Nylic fieldman, and every mother's son of you will be but too glad I know to do you level best in honor of the man who in a single handed fight is responsible for the final independence of this field force. Every day in July is in honor of President Kingsley.

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Reinsurance and all Liabilities	4,349,097.67
Surplus	2,233,426.43
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UNITED STATES BRANCH

92 William Street, New York

UBERTO C. CROSBY, General Manager — RICHARD D. HARVEY, Assistant Gen'l Manager

The Liverpool & London & Globe Ins. Co.

ESTABLISHED 1836. ENTERED THE UNITED STATES, 1848

NEW YORK OFFICE:

WILLIAM AND PINE STREETS.

NEW ENGLAND, NEW YORK, PENNSYLVANIA, NEW JERSEY, OHIO, INDIANA, KENTUCKY, TENNESSEE, MARYLAND, DELAWARE, DISTRICT OF COLUMBIA, VIRGINIA, WEST VIRGINIA, NORTH AND SOUTH CAROLINA.

H. W. EATON, Manager.
GEO. W. HOYT, Deputy Manager.
J. B. KREMER, JR., T. A. WEED, } Agency Superintendents.

CHICAGO OFFICE:

203-205 LA SALLE STREET.

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CORNER CARONDELET AND COMMON STREETS.

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THOS. H. ANDERSON, Deputy Asst. Manager.

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A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS is unsurpassed for net low cost and care of interests of all members.

The Penn Mutual Life Insurance Company
OF PHILADELPHIA

On January 1, 1909, rates were reduced and values increased to full 3 per cent. reserve.

THE NATIONAL LIFE, U. S. A.
Wants Good Producers for District and General Agents

A SPLENDID CHANCE
to grow with a Western Company more than forty years old, operating in thirty States and Territories.

WORK FOR YOURSELF!

We have a Special Proposition for 1910. Why not write us?

CHICAGO'S OLDEST AND STRONGEST COMPANY

Robert D. Lay, Secretary, 159 La Salle Street, Chicago.

201ST YEAR
SUN
INSURANCE OFFICE
OF LONDON

FOUNDED 1710

U. S. Branch: 54 Pine Street, New York

Western Department
171 La Salle St.
Chicago

Pacific Department
Sansome & Sacramento Sts.
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AGENTS WANTED AT UNREPRESENTED POINTS

Liability
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HOME OFFICE KUHN-LOEB BUILDING 52-54 WILLIAM STREET NEW YORK

HANOVER

Agencies in all the Principal Places in the United States.

Fire Insurance Company
OF NEW YORK.

Western Assurance Company

HEAD OFFICE: TORONTO, CANADA.
INCORPORATED 1851.
HON. GEO. A. COX, President.
W. R. BROCK and JOHN HOSKIN, K. C., LL. D., Vice Presidents.
W. B. MEIKLE, General Manager.

UNITED STATES STATEMENT, JANUARY, 1910.

Assets	$2,277,303.37
Surplus in United States	539,263.07

Head Office for the United States:

57 and 59
William Street,
NEW YORK.

LONDON & LANCASHIRE FIRE INSURANCE COMPANY

A. G. McIlwaine, Jr., Manager.

The Employers' Liability Assurance Corporation
(LIMITED),
OF LONDON, ENGLAND.

Total Available Resources, over $8,000,000

$3,449,550.58 deposited in the United States for the benefit of United States Policyholders.

SAMUEL APPLETON, United States Manager,
Employers' Liability Building, 33 Broad Street, Boston, Mass.
EDMUND DWIGHT,
Resident Manager for New York State,
76 William Street, New York.

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NATIONAL CASUALTY DETROIT

NATIONAL CONTRACTS SATISFY THE AGENT

Territory open. Write for terms.

THE CONNECTICUT MUTUAL

That means the best life insurance to have and the best to sell. If you can sell life insurance, you can sell more of it for the CONNECTICUT MUTUAL.

Men of character and ability are invited to apply.

CONNECTICUT MUTUAL LIFE INS. CO., Hartford, Conn.

Please mention this paper

1860 50TH YEAR 1910

HOME LIFE INSURANCE COMPANY

OF NEW YORK.

GEORGE E. IDE, President

ASSETS, $23,626,018.63 LIABILITIES, $21,858,691.52 (Including Deferred Dividend Fund)

Dividend-Endowment Fund (Deferred Dividends)	$2,119,044.00
Net Surplus	1,767,327.11
Insurance in Force	92,532,583.00

The Record for 1909 shows the following GAINS:

Insurance in Force	$4,164,239.00
Assets	1,917,117.00
Deferred Dividend Reserve	148,581.00
Contingency Reserve (Surplus)	655,149.17

OLDEST IN AMERICA STRONGEST IN THE WORLD

The Mutual Life

Insurance Company of New York

Mutual Life Agents Make Most Money Because Mutual Life Policies Sell Most Freely

For terms to producing agents address:

GEORGE T. DEXTER, 2d Vice-President,

34 Nassau Street, New York, N. Y.

[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1, 1910

CAPITAL

$1,500,000

RESERVE FOR ALL OTHER LIABILITIES

8,222,018

NET SURPLUS

6,440,211

ASSETS

16,162,229

GERMANIA

FIRE INSURANCE COMPANY

Organized 1859 **NEW YORK**

Cash Capital	$1,000,000.00
Assets	$6,502,389.14
Net Surplus	$2,008,419.02
Surplus for Policy Holders	$3,008,419.02

HEAD OFFICE: Cor. William and Cedar Streets

The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1910	$3,470,509.30
Total Liabilities, except Capital	1,920,837.24
Capital	500,000.00
Surplus to Policyholders	1,549,672.06

F. F. BUELL, Special Agent, Troy, N. Y.

Provident Life and Trust Co.

OF PHILADELPHIA.

The Provident has been particularly distinguished for the development of a highly trained force of agents. The systematic instruction which its agents receive has resulted in their being recognized as representatives of exceptional knowledge of the business and of marked efficiency.

Insurance Company of North America

FOUNDED 1792

232 Walnut Street, Philadelphia

Assets, January 1, 1909 ..... $12,014,062.63

LIABILITIES—Reserved for Reinsurance and all other claims	$7,263,156.97	
Capital Stock	3,000,000.00	
Surplus over all Liabilities	1,750,905.66	$12,014,062.63

Agents in all the principal towns and cities.

EUGENE L. ELLISON, President.

T. HOUARD WRIGHT, Secretary. HENRY W. FARNUM, Assistant Secretary.

BENJAMIN RUSH, Second Vice President. JOHN O. PLATT, Assistant Secretary.

Surplus to policyholders, $4,750,905.66.

Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

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JUL 25

The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

VOL. LXXXIII. NEW YORK, SATURDAY, JULY 23, 1910. No. 4.

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Checks and money orders should be made payable to the order of THE WEEKLY UNDERWRITER.

Entered at the New York, N. Y., Post Office as second class matter.

CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

THE adverse decision of the president of the Continental, the divergence of opinion among signers as to details of importance, and the indifference and even resentful feeling of some others would seem to presage the non-success at the present time of the Eastern fire insurance agreement. A compact in which all the strong companies do not join is impracticable, for the outsiders can well make life intolerable to those bound by the limitations of the compact. It may be that a season of suffering for all concerned, in which the weaker will succumb, must be tried before harmony will be forced. If it has to come, let hope prevail that it will be short lived and well over before the legislative investigating committee is through with the "graft" part of its inquiry and ready to grapple with fire insurance. But it is to be regretted that all the parties interested in the situation cannot see that some form of understanding, even if it involves concessions from everyone, is far better than chaos in the business, with all that that means for producing an impression on the public mind that a business that can afford to pay rousing commissions and slash rates right and left must have a vast deal of money and unwarrantable profit in it.

THE Texas Legislature took charge of the fire insurance situation this week, but has proceeded no further than receiving and referring to the Insurance Committees of the two Houses the bills to repeal the present fire rating board law. The Governor has precipitated a question upon the Legislature which may have an important influence on its final action. It is whether there shall be any fire insurance at all in Texas by the agency companies. He urges in his message that companies which threaten to cease business on account of objectionable laws be ejected from the State. Should the laws reduce rates below a paying point, and the companies discontinue writing at a loss, he is sure that Texas has no further use for them. This is certainly demagogy run mad. It is likely that owners of values which must have the protection of fire insurance, and who will be bereft of it, should the Governor's policy prevail, will have something to say to the Legislature about the advisability of following his advice. Results may therefore be considered in doubt until the situation clears. Meanwhile what must be thought of the demand of the Insurance Commissioner that the general agents of the companies doing business in the State shall submit to him sworn copies in writing of their private correspondence with their companies containing instructions relative to the reduction of rates? Texas is in the whirl of politics at the present moment; the Democratic primaries are being held this week; there are several candidates, including the present incumbent, for Governor, and we must wait until the struggle is over to learn how much of these official fulminations constitute playing to the galleries.

IN 1908 there were one hundred and seven new insurance companies of all kinds projected or organized in the United States; in 1909 the number of new ventures announced was two hundred and thirty-seven, which was with reason regarded as phenomenal. The *Journal of Commerce* this week printed a list of two hundred and twenty-nine new fire, life, casualty and surety companies which have been started and are in the process of being floated in the first half of the year 1910. At this rate of progress the record of the phenomenal year will be beaten twice over by the current one. Since the beginning of 1905 the prospectuses of over one thousand new insurance companies have appeared. Were all these sound enterprises their number would be a striking testimonial of the prosperity of the country. As a matter of fact, seventy per cent. of them have been speculative, and a large proportion have never gone beyond the proposition stage. They have been the schemes of promoters who have devised them for their own advantage by the sale of their stock to the public. In seeking to induce investments these promoters have resorted to misrepresentation of the profitableness of the insurance business, always citing the instances of long established companies, which obtained their start when expenses were small and were built up by expert underwriting ability. Promoters such as these have done much to stimulate that public sentiment which has found expression in legislation against insurance as a high priced monopoly. In view of the increase of the speculative promotion evil, as evidenced by the half year's figures of our daily contemporary, the growing disposition of State insurance departments to require proof of the stability of new undertakings and put a limit on the commissions which stock salesmen exact for their activity is entirely proper. The position assumed by insurance commissioners in several of the Western States is that they will not license new companies where the promotion expenses have exceeded five per cent. of the subscribed capital. It is noteworthy that nearly eighty per cent. of the proposed new companies in 1910 are in the West and South, where local companies are comparatively few and specious appeals may be made for the encouragement of home enterprise. New companies of all classes swarm in Texas, and there is a large output in such outlying regions as Oklahoma. Many will prove disappointments to those who trust their money to them. The amount of capital and paid in surplus demanded by

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the two hundred and twenty-nine fresh adventures of the first six months of 1910 is $209,633,000. Of this $75,258,000 is wanted by the fire, $35,905,000 by the life, and $98,470,000 by the miscellaneous companies. Some part of this vast aggregate will go into legitimate concerns and some into failures, and it is the duty of the authorities and the press to force down the proportions of the latter.

Facts and Opinions.

The feeling that the old **Eastern Union** had reached its time limit seemed to be prevalent "on the street" this week, and after the call for Friday's conference had been promulgated several insurance executives stated that they saw little reason for further continuing the organization. With it out of the way the companies would then be free to devote attention to the new Fire Underwriters' Association and its affairs, which appear to need all the sympathy that may be offered. The attitude of the Continental and its allies, the Fidelity-Phenix and the Fidelity Underwriters, was regarded as the crux of the latter situation. Mr. Evans, after taking plenty of time to read over the agreement proposed as the basis of the new association—which, by the way, is more than the 101 men who signed it that fateful afternoon did—announced that he could not commit his companies to such an agreement. The companies whose executives had announced that their signatures would be withdrawn in case Mr. Evans did not affix his were thereupon relieved from their tentative bargain, and the prospect is that others may be frightened away later. There appears to be grave danger that the companies which finally stick to the agreement may not represent the required percentage of premiums received. It is regarded as possible by some insurance authorities that later a full discussion of the agreement, which has not yet been had, may result in the remodeling of its provisions so as to meet the views of Mr. Evans and his associates and predecessors. "Whatever happens," said one executive, "we shall not lose our heads and indulge in anything foolish. I am inclined to think it will prove necessary to have a little skirmish, not a pitched battle, before it will be possible to bring the companies together on a basis acceptable to all." On being asked if there was a possibility of some of the larger companies combining for mutual defense against the Continental on the one hand and the high commission non-Union companies on the other, the gentleman replied that "that bridge will not be crossed until we come to it." The following was President Evans' letter to Messrs. Bissell and Correa, the committee appointed by the Fire Underwriters' Association to communicate with him in reference to his intentions toward the association:

GENTLEMEN—After carefully considering the question of the advisability of associating ourselves with "The Fire Underwriters' Association," we have come to the conclusion that we do not care to become members of that organization on the basis set forth in the constitution and bylaws which you left with the writer. The fact that no provision is made for the payment of a contingent or profit sharing commission would alone prevent us from having membership in this organization; first, because a large percentage of our agents reporting to the New York office are compensated on this plan, and second, because we believe that such compensation is desirable from the standpoint of the public, the agents and the companies. The payment of certain commissions in one section of the country, yielding nearly half of the premium income derived from the United States, and different commissions in another section, both under agreement through associations of companies, cannot in our opinion be justified. There are numerous minor points connected with the plan as set forth in the constitution and bylaws which have been submitted by you that are not satisfactory to us. Chief among these is the separation feature. But inasmuch as we have decided that the first two points mentioned are sufficient to prevent our joining the association, it will not be necessary for us to go further into detail.

As we go to press the members of the Eastern Union, after having enjoyed luncheon at Delmonico's, are engaged in deciding whether their organization shall dissolve on Monday next, the date to which decision was postponed a month ago. or whether a further extension of time shall be given.

The following preliminary arrangements have been made for the **annual meeting** of the **National Convention of Insurance Commissioners** at Mobile, Ala., September 27 and 28 proximo. The meeting will be called to order the first day at 9:30 o'clock a. m. with President Hartigan, of Minnesota, in the chair. The mayor of Mobile will make the address of welcome for the city, and the Governor of Alabama for the State. The response will be by Commissioner McGivney, of Louisiana. President Hartigan will deliver the annual address, and Commissioner Julian, of Alabama, will discourse upon insurance in his State. On the second day there will be several addresses made by delegates, among them Commissioner McMaster, of South Carolina, who will speak upon "Uniformity in Ruling and How to Obtain It"; Commissioner Hardison, of Massachusetts, upon "Present Classification of Insurance in Various States"; Commissioner Macdonald, of Connecticut, upon "Discriminations in Life Insurance Policies," and Superintendent Hotchkiss upon "The Savings in Life Insurance by Limitations and Expenses." A special committee will report on the subject of the ownership of the surplus from non-participating business of the Union Central Life insurance company. Executive sessions will also be held. Regarding the social features which usually attach to the presence of the insurance commissioners in annual meeting, it seems that the planning by the local agents for their entertainment has led to a communication from President Hartigan to Commissioner Julian of Alabama, in the course of which he says:

My attention has just been called to an article in the *Insurance Field*, stating that the insurance agents in Mobile have addressed letters to Southern managers and general agents asking that each insurance company contribute toward the entertainment of the commissioners during the Mobile meeting. As president of the National Convention of Insurance Commissioners, permit me to urge that you use your good offices to stop this movement, and in doing this I believe I voice the general sentiment of the insurance commissioners. The purpose of our meetings is for work and not for entertainment; furthermore, I question whether the companies can or should contribute to a fund such as is above mentioned. The commissioners, I believe, desire to pay for whatever entertainment they see fit to take. Believe me, the commissioners do not desire this entertainment, and would be best pleased to devote their time to work or to such individual pleasures as each may deem proper. We all know, I think, of the far famed hospitality of the South, and were we in need would not hesitate to avail ourselves of it, but the need does not exist. I am confident that you will understand the motives that prompt this letter, and that you will agree fully with the ideas contained herein. With very kindest personal regards, etc.

Pending action by the Legislature, which assembled in special session on Governor's call on Tuesday, the **fire insurance business in Texas** is practically at a standstill. The Legislature is not likely to do anything decisive until after the Democratic primary elections, in which so many members are interested, are over, which will be after this week. There is a great deal of politics mixed up with the situation. Meanwhile the companies have arranged to file suit against the fire rating board to set aside its order reducing rates or probably modify it to such an extent that they will be able to do business and avoid loss. According to their counsel, Judge William Thompson, they recognize the fact that the Legislature may repeal the rate law altogether, but this cannot be taken for granted, and the filing of the suit is for the protection of the companies in case the law is not amended or repealed. The law requires that when the board issues an order and the insurance companies are dissatisfied therewith, they have thirty days in which to institute proceedings against the board to either modify, cancel or annul such order. Insurance

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Commissioner Hawkins has issued a demand on the general agencies which have received instructions to cease writing the risks affected by the reduced rates directed by the board, for copies of their communications from their companies. The order is couched in these terms:

Please prepare and mail me at once a sworn statement showing all printed, typewritten or written instructions which have been by the above named company sent to any of its Texas agents relative to the application of any and all amendments of the general basis schedules of said company which have been filed with the State fire rating board pursuant to its orders of June 28, 1910, and July 2, 1910, respectively, or either of them. I particularly desire to know what instructions said company has given to its agents relative to reduction of rates under policies which were in force prior to July 11, 1910, but which may bear date subsequent to December 31, 1909.

To what extent general agents will comply with this order remains to be seen. One company, the Connecticut Fire, has issued a circular statement to its agents in Texas pointing out the difficulties and burdens of operating under the present law and the necessity of declining business at inadequate rates. President Brown, in concluding the statement, says:

In this "maddening maze of things" we have no means of ascertaining just now what the legally emasculated rates will be, but it would appear that our only safety is to decline all business subject to this last reduction.

A synopsis of the Governor's message to the Legislature, and notice of repeal bills introduced, will be found in our legislative news.

The New York Life *Bulletin* sharply **reprimands** a few of its **agents** in the current issue as follows:

Agents are prohibited from soliciting policyholders to borrow on old policies in order to pay premiums on new insurance. The attention of the home office has been called to the fact that agents sometimes solicit old policyholders to borrow on their policies for the purpose of taking new insurance. This is prohibited. The company has just been compelled to severely reprimand an agency director and discharge a cashier for abetting and encouraging this method of raiding the old business. To induce a policyholder to borrow on his insurance in order to write him for a new policy can be carried to such an extent that the transaction becomes a pure scheme of twisting. This company does not permit its representatives to "twist" the policies of other companies; it certainly will not permit anything in this direction among its own insured. Agency directors, cashiers and other employees of the company are prohibited from furnishing its agents with lists of policyholders or with any other data to encourage the writing of new policies at the expense of the old. An agent should have nothing to do with old policyholders except to explain their policies to them upon request, to encourage them to keep their insurance in force, or to write them for new insurance when they need it. The latter must never be done, however, by suggesting or encouraging the borrowing on the old policy. Where an agent runs across a policyholder who has borrowed on his insurance, it is his duty to urge that policyholder to reduce or pay off his loan. Borrowing on a life insurance policy is a good deal like mortgaging the home—only worse. It should never be done except as a last resort, and only under the provocation of absolute necessity. Every agent is expected to back up the company in its endeavor to weed the "twister" from the profession, whether in our own ranks or in those of other companies; also to protect the interests of this company's old policyholders against loans, twisting or other devices which have for their object the making of commissions, fees or money in other forms, through the insured's lack of information regarding his own best interests. It should be our duty and our privilege to stand by our patrons and help them with wise advice and counsel at all times.

The proposed amendments to the uniform **bill to regulate the fraternal insurance business** are outlined by Insurance Commissioner Darst, of West Virginia, in his July official bulletin, as follows:

As a result of the conference held in New York in June between the committee on fraternal insurance of the National Convention of Insurance Commissioners and representatives of the fraternal bodies, it was agreed that the provisions of the bill drafted for the purpose of causing these societies to be placed on a sound financial basis should be amended along the following lines: "The annual valuations and publicity shall be made not as a test of solvency, but to show conditions to members of societies, the valuation to begin January 1, 1912. Valuation as of January 1, 1918, properly certified, shall be submitted to the home insurance department of the various orders and triennially thereafter. If the valuations show a deficiency, the society must reduce the deficiency at least 5 per cent. during each triennial period. Failer to reduce the deficiency will permit the insurance department to take steps to correct conditions or to wind up the business of the society. The National Fraternal Congress tables of mortality shall be the standard for valuation of any higher standand upon which the societies have calculated their rates of contribution. After the passage of the bill no new society shall be incorporated or admitted which does not provide for stated periodical contributions sufficient to provide for meeting the obligations contracted when valued upon the basis of the National Fraternal Congress tables of mortality, or any higher standard, with an interest assumption not more than 4 per cent. annually. The chief effect of these amendments is to extend the period during which the fraternals must place their business on a sound footing." While the proposed amendments do not fully meet the idea of the commissioners, they have been willing to meet the fraternal societies in a spirit of compromise. This resolution, in our opinion, if endorsed by the different fraternal conventions and the National Convention of Insurance Commissioners this fall, will result in its being enacted into law this winter in many of the States of the Union, and will be a big step in the right direction.

A paper on the **growth of fire reinsurance** was read recently before the Insurance Institute of Ireland by Mr. H. S. Moore, of the Phœnix of London, in which he touched upon present conditions in this phase of the business in Great Britain as follows:

Reinsurance business is necessarily in favor of the insuring office. The insuring office dictates terms; it has better information of the physical risk and greater knowledge of the moral features; it takes advantage of every benefit that arises in respect of any variation and improvements in risks; it watches results and shapes its retention accordingly, and in fact, speaking broadly, the experience of every phase is collected and acted upon to its advantage. Reinsurance between offices of equal size is a mutual obligation, and the advantages are equal on an equal exchange of business. Between large and small offices the position assumes a different aspect. The small office does not get a share of the whole range of the insuring companies' business. The share obtained is invariably confined to the second class section of the reinsurance output. Risks of a gilt edged character are carefully exchanged by the larger offices, obviously to their mutual advantage. This probably explains why so few small reinsuring companies have struggled through a delicate youth to years of maturity. We might count upon one hand the small companies of today, direct and reinsuring, whose length of years exceeds one generation. I fear their position is not likely to improve in the near future. The larger the office the more insatiable its appetite, with the result that it now even picks up its own crumbs. This is mainly due to the improved condition of the business generally. In the days when the losses were heavier and more frequent, reinsurance was not always easy to obtain. It is interesting to note the change in our regard for each other. Twenty years ago we regarded as our friends the offices who accepted our reinsurances; today we regard with the warmest affection the offices who bring us theirs.

The **"Chemistry of Combustion and Electricity"** is the title of a volume just published by the Rough Notes Company, Indianapolis, and which contains seven lectures on combustion and six on electricity delivered before the Fire Insurance Club of Chicago. The series on the "Chemistry of Combustion" starts with the A B C of fundamentals and concludes with "spontaneous combustion." It carries one through theories to study which will make the insurance man broader and better able to carry on his profession. The lectures on the "Chemistry of Combustion" were given by no less an authority than Prof. O. A. Rochlitz, of the Armour Institute of Chemistry. The six lectures on "Electricity" are by R. E. Blanchard, the well known electrical inspector on the staff of the Chicago Board of Underwriters. They deal in first hand manner with what the lecturer is pleased to term a "young and growing giant." In this series of lectures technical terms are set aside, and in their place are found the words of the layman—and illustrations which make each point clear. The two sets of lectures make a volume of eighty standard size pages. The book is bound in buckram and is uniform with the earlier volumes of lectures delivered before the Fire Insurance Club of Chicago. The other volumes appeared under the titles of "Special Hazards" and "Building Construction."

A decision involving a quarter of a million dollars and favoring the **National Protective Legion** of Waverly, N. Y., has

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just been handed down by Supreme Court Justice George F. Lyon, of Binghamton. When the New York State Insurance Department caused the cut in the dividends of the Legion from $250 to $113 there was great dissatisfaction among those whose certificates were to expire during the period immediately following the date set for the reduction. Test suits were brought by members of the Hobart Legion, to whom the difference of one day would mean a loss of $127. The plaintiffs contended that a certificate dated January 1, 1903, expired on December 31, 1907, and if so the holder would be entitled to receive the $250 dividend. The company contested the suit on the ground that the certificate expired instead on January 1, 1908, when the holder would be entitled to receive only the $113. The case was tried at Delhi, Delaware County, before Justice Lyon without a jury. Charles R. O'Connor, of Hobart, appeared for the plaintiff, Thomas Rich. and Assemblyman Frank L. Howard, of Waverly, counsel for the company, defended. The Order of the Golden Seal is also interested in the effect of this decision, and its attorney filed a brief when the case was argued. An appeal will be taken.

The *Bulletin* of the New York Life contains an **acknowledgment** by Vice President Thomas A. Buckner on behalf of the company to **Insurance Superintendent Hotchkiss** and his staff for their efforts in securing a modification of the law limiting the amount of business annually written by life insurance companies. The vice president says:

As soon as Superintendent Hotchkiss became convinced that Section 96 in its old form was unfair to the companies in his home State, and prevented their reasonable growth, he concluded to ask that the section be amended as follows: (1) In lieu of a definitely fixed and rigid limitation, to impose a limitation which allows a reasonable growth each year, in proportion to the economy with which the business as a whole is managed; (2) to apply the law to outside companies doing business in New York State the same as it applied to domestic companies. As the result of these conclusions Superintendent Hotchkiss introduced the amendment to Section 96, with which you are already familiar. In preparing this for passage the superintendent was ably assisted by his lieutenants in the New York State Insurance Department, Messrs. Hadley, Hurrell, Woodward and Hughes, by the representatives of other life insurance companies, and by our general counsel, Mr. James H. McIntosh. Superintendent Hotchkiss and the counsel of the department, Mr. Hurrell, personally promoted the passage of the bill. It was introduced in the hurry and crush of the closing days of the session, and all the greater credit is due to the zeal and vigilance of Mr. Hotchkiss and Mr. Hurrell for bringing the bill to a successful passage under adverse circumstances.

The program arranged for the **annual meeting** of the **American Life Convention** at Des Moines September 15, 16 and 17, contains the following features: First day—Welcome by Governor Carroll, of Iowa, and Mayor Hanna, of Des Moines; response by Willis L. Moore, president of the Royal Union Life of Des Moines; address by President Isaac M. Hamilton; paper entitled "The Total and Permanent Disability Risk in Connection With the Life Insurance Contract." by Lucius McAdam; discussion. Second day—Papers: "The Short Life History," Dr. Amand Ravold; "Insurance Militia, or Forces Against Mortality," Dr. Albert Anderson; "Increased Mortality from Diseases of the Kidneys and Circulatory System," Dr. W. F. Milroy; "The Attitude of the Courts With Relation to Insurance Companies," George H. Carr, general counsel Central Life, Des Moines; "What Benefit May Life Insurance Companies Expect to Derive from Uniform Legislation Among the States and on What Subjects, If Any, Should Uniform Legislation Be Encouraged by Life Insurance Companies?" L. A. Dean, general counsel State Mutual Life, Rome, Ga.; followed by a discussion. On the third day committees will report and officers will be elected.

The agency convention of the **Northwestern National Life** at Minneapolis was a great success, agents from eighteen States being present. The three days were filled with interesting sessions and pleasure. Among the entertainment features was a trip to Lake Minnetonka, which occupied most of the second day. The new policy forms were presented by President Thompson and carefully explained. They include some new features, such as an unlimited reinstatement privilege, increased cash loans, paid-up insurance and cash surrender values, and five dividend options. Monthly income policies are also to be written on the whole life, twenty payment and twenty year endowment forms. These contain all the liberalities of the regular issues, and provide monthly instalments of $10 or more in multiples of $5. The commuted value of a policy providing $10 monthly is $1,765. The instalments in the case of the endowment policy become payable to the policyholder at maturity, and in case he does not survive to receive the 240 instalments those still due, or their commuted value, are payable to his beneficiary or the heirs of the beneficiary. This plan, it is believed, will appeal to salaried people.

The results of the trial of the **Indiana anti-trust suits** at Indianapolis so far are summed up thus by the Chicago *Insurance Post:*

Judge Weir's action in postponing his decision in the Indiana anti-trust case until September shows that the insurance companies and their attorneys gave him something to think about in the evidence they submitted and the arguments they made. After raking Indiana with a fine tooth comb to find dissatisfied agents or policyholders, the Attorney General was unable to produce any evidence of particular importance to justify his charge of conspiracy, even though he did, as a matter of course, find many persons who would like to get their insurance cheaper. The court was not allowed to overlook the fact that the Indiana Insurance Department, which is charged with the care of the policyholders of that State, and is best posted on the situation, was not co-operating with the Attorney General in his political campaign, and that the evidence of the officials of the department called was strongly on the side of the insurance companies. Attorney General Bingham depended largely upon the Indiana mutuals to uphold his case, but found that practically every one of them, even down to the farm mutuals, was acting as part of an organization with rules regulating their rates and the relations of their members, and were combining to increase rates whenever they felt it necessary. Since this was the crime charged against the stock companies Attorney General Bingham did not help his case much by merely bringing out the fact that his own witnesses found themselves compelled to resort to the same methods of transacting the business.

The following statement has been sent to fire insurance companies transacting business in New York regarding the **computing of unearned premium liability** in reinsurance agreements by Superintendent Hotchkiss:

You are advised that by Chapter 168, of the Laws of 1910, Section 22, relating to reinsurance, and in particular to the method of computing the unearned premium liability by reinsurance companies, was amended. The rule, as stated in the law, is as follows:

"When a reinsurance agreement is made between other than life insurance corporations the parties to such agreement shall, upon the policies involved, compute their unearned premium as follows: The reinsuring or ceding corporation shall, upon the portion of its liability not reinsured, maintain a reserve to be computed in accordance with Section 118 of the insurance law, the corporation assuming liability by reinsurance from the corporation issuing the original policy shall maintain a reserve equal to that which the reinsuring corporation would have been required to maintain upon the amount reinsured had it retained the liability ceded by it."

This law takes effect the first day of July, 1910. You are, therefore, advised that, in making your annual statement on December 31, 1910, the department will require you to charge yourself with the unearned premium liability, computed in accordance with the above rule, upon all of the business upon your books, without regard to the date when such reinsurance was effected.

The **Firemen's of Newark** is now housed in its own new building at the corner of Broad and Market streets, Newark. The main office is located on the second floor in quarters that are faultlessly furnished and admirably arranged for convenience. The offices of President Dunham and Vice President Colyer are on the Broad street front of the floor,

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and are handsomely equipped. The meeting room of the board of directors is done in solid mahogany with beautiful hangings, and the chandeliers are overlaid with gold leaf. The agency force occupies the third floor of the new building, which is the highest office building in New Jersey. The other floors are rapidly filling up with high class tenants, who recognize the prestige such a location will bring them. Notwithstanding the dull season the Firemen's is enjoying a good business. It has not yet signed the agreement of the Fire Underwriters' Association, and to be put out of Texas entirely wouldn't cause such a wonderful amount of excitement in the office of the Firemen's. It might bring a feeling of relief.

The New York State Insurance Department was advised this week that Justice De Angelis, of the Supreme Court, has ordered the liquidation of the **Citizens' Fire** Insurance Association of Utica and the **Empire State Fire** Insurance Association of Utica, two co-operative fire insurance companies which have operated in Oneida, Madison, Herkimer and surrounding counties. This action follows an examination of these companies, made last week, which showed excesses of liabilities over assets, in the cases of the Citizens' Fire of $2,401 and in the Empire State of $684. Similar conditions were developed by an examination conducted by the department a year ago, but the deficits then existing were made up by assessments. The two companies joined with the department in the application. Frederic G. Dunham, chief of the liquidaton bureau of the Insurance Department, has been appointed special deputy insurance superintendent and has taken charge.

The annual meeting of the **Agents' Association of the Northwestern Mutual Life** at the home office of the company in Milwaukee this week resulted in the election of Robert Reid, of New York, as president; L. M. Keller, of St. Paul, as vice president, and R. W. Fish, of Milwaukee, as secretary. The general agents of the company held a separate meeting and also elected officers, as follows: President, P. T. Troop, Nashville; vice president, H. D. Rodman, Louisville; secretary and treasurer, W. M. Mack, Cincinnati. The visiting agents were given fine treatment throughout the convention, the culminating feature of which was the gridiron dinner at the Pfeister, with J. F. Oates in charge. The Chicago agents furnished the entertainment, which was a full fledged minstrel show in black face. During the convention the company reported that the new business during the first half of 1910 was $63,021,000, a gain of about $3,000,000.

Fifty or sixty leading agents of the **Pacific Mutual Life** in the Central West, with the agents of the life, accident and industrial departments in Chicago, gave a luncheon to President Cochran and Vice President Baker at the Blackstone Hotel this week, at which Mr. Baker presided as toastmaster, and the principal address was made by President Cochran. He complimented the agents on the fine showing the central territory was making and outlined the plans of the company for future work. He dwelt especially on the dangers involved in the present craze for company promotions, calling attention to the number of failures of such schemes during recent months, and suggesting to the agents various ways in which they might meet the competition of the stock salesmen and company promoters generally. Addresses were also made by Mr. Baker and a number of the agents.

The **Michigan State Life** of Detroit announces the appointment of Frank Tully as agency manager. He was formerly superintendent of agents of the Bankers Life of New York and of the Security Trust and Life prior to its reinsurance by the Pittsburgh Life and Trust, and more recently has been superintendent of agents of the New Amsterdam Casualty Company. The premium income of the Michigan State Life in the first six months of 1910 was nearly double that of the same period last year. The business written during the six months amounted to $1,514,000, as compared with $1,082,500 for the first six months of 1909. The amount written during the six months was three-fourths of the amount written during the entire year of 1909. There was an increase of $8,000 in surplus during the six months.

Because the record book of the **Dutchess Fire insurance company** had been mutilated, and a resolution authorizing President Lewis H. Vail to reinsure the business had been removed, the Dutchess County grand jury last week Friday reported a true bill of indictment against Mr. Vail, charging forgery in the third degree, the bill containing three counts. The indictment charges that President Vail endeavored to deceive the New York Insurance Department by concealing an obligation to pay the Dutchess insurance company a commission of 25 per cent. on its business reinsured by the Dutchess Fire. A plea of not guilty was entered, with privilege to demur, and arguments will be heard July 25. Bail was fixed at $2,000 and promptly furnished. The company declared that the resolution was never adopted by the directors and was recorded by error.

The **Queen** of New York has published a legal notice of intention to amend its charter so as "to include, pursuant to Article 3, Section 110, of the insurance law of the State of New York, as amended by Section 4 of Chapter 168 of the laws of 1910, sprinkler, automobile and marine insurance as authorized by Article 4, Section 150, of the insurance law as amended by Section 6 of Chapter 168 of the laws of 1910; and so as to permit this corporation to establish other and subordinate offices and agencies in other States, Territories, dependencies and countries, and to make amendments to its charter changing the purpose of the incorporation of this company without obtaining the consent of all its stockholders, but of such proportion thereof only as is or may be required by law."

The **Federal Life insurance company of Chicago** reports first year premiums collected by the company in cash during the first six months of 1910 to be about 50 per cent. more than during the corresponding period of 1909; renewal premiums collected during the first six months of 1910 show an increase of about 60 per cent. over the first six months of 1909. Heavy increases are shown in applications received, policies issued and business paid for. President Hamilton felicitates the company upon the fact that some of the company's field force entered the employment of the company in 1900—the year of the company's organization—and have remained actively in the service of the company ever since; while others have been with the company nine years, eight years, and so on down the line.

The following advertisement appeared last week in a Binghamton, N. Y., daily paper:

WANTED—A nurse. The Metropolitan Life insurance company is preparing to introduce in the city of Binghamton, N. Y., the system of furnishing a free visiting nurse for any sick industrial policyholder of the company. There will be no charge made for any visit made. We desire to co-operate with all attending physicians.

It is the plan of the **Metropolitan Life** to provide **free ministration by trained nurses** in the employ of the company to all those of their policyholders, especially in the industrial department, who are ill in the larger inland cities and towns. The company believes this is a wise investment from a practical business standpoint.

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The following recommendations have been made by the Bureau of Surveys of the New York Board of Fire Underwriters as the result of an investigation of the fire of July 2 in the **Motion Picture Film Exchange,** American Vitagraph Company, Morton Building, in Nassau street, New York:

1. The rules and requirements of the National Board of Fire Underwriters governing the storage and handling of nitro-cellulose films should be rigidly enforced. The imminent danger to life and property has been evidenced by this fire, and the recent fire and explosion in the Ferguson Building at Pittsburgh. 2. The need of more than one reliable means of exit from high buildings should not be overlooked. Although there were two stairways in this building neither of them were accessible for a time to the occupants of the upper floors in the main portion of the building facing Nassau street.

The **Continental insurance company of New York,** in its semi-annual statement, exhibits the following items:

Unearned premiums on policies in force	$7,826,014.50
Losses in process of adjustment	367,074.02
All other claims	204,991.90
Reserve for contingencies	250,000.00
Cash capital	2,000,000.00
Total liabilities	$10,648,080.42
Net surplus	12,267,165.94
Total assets	$22,915,246.36

The total assets at the beginning of the year were $22,334,535.72.

The Austin *Statesman* of Wednesday says of the **situation in the Texas Legislature:**

While the repeal of the obnoxious fire rating board law is named as the specific purpose of the session a belief prevails that other and deeper reasons exist for the Governor's action in calling the session at this time. The political opponents of Governor Campbell have not hesitated to declare that politics furnished the real motive for his action in calling the Legislature together. In support of their declaration they point to the fact that the Governor concluded his call with the statement that he would submit such other matters of legislation as he might deem proper during the session. At the present time the State of Texas from end to end is in a turmoil of political excitement over the gubernatorial and legislative campaign. Four leading candidates are engaged in a bitter contest for the governorship, which will be decided next Saturday when the State wide primary will be held.

The **New York Insurance Department** has promoted Arthur F. Saxton, who has been connected with the department for twelve years, to be a chief examiner at a salary of $4,000 per year. Mr. Saxton has been assigned to have charge of the examination of fraternal companies. Chief Examiner Nelson B. Hadley, who is chief of the examiners of life companies, is on his way back from the Pacific Coast, where he has been engaged in the examination of the Pacific branch of the Metropolitan Life. The department's report on the Metropolitan, including both the New York and Pacific branches, is expected to be ready some time in November.

After two months' sojourn abroad President **Charles A. Peabody,** of the Mutual Life insurance company, returned home on the White Star liner Adriatic, which arrived at New York on Thursday. Mr. Peabody on being asked about life insurance conditions abroad said that he found that American insurance still had a firm foothold in Europe. The volume of the business in Europe, he said, was much below that in force before the insurance investigation in this country. He said that while the investigation had decreased the European business conditions were of the best sort and business promised to increase.

Several **foreign insurance companies** other than life have been notified by the Massachusetts Insurance Department that they **must transfer their United States deposits from Ohio** to some other State acceptable to the Massachusetts Department if they wish to do business in Massachusetts. A new Ohio law permits foreign companies to withdraw their deposits, on discontinuing business in Ohio, while the Massachusetts statutes provide that no such company shall take up its United States deposits until all its policyholders and creditors in this country have been properly protected.

The *Quarterly Bulletin* issued by the **Fidelity Mutual Life** of Philadelphia, of which L. G. Fouse is president, says:

The receipts for the quarter ending June 30, 1910, amounted to $1,434,961.82. The excess of such receipts over disbursements amounted to $618,475.26. The death claims and payments to members amounted to $568,136.05. The new business written during the quarter amounted to $4,108,600. The investments made during the quarter amounted to $729,548.06, and are as follows: Bonds, $73,635.17; real estate securities, $484,541.19; loans on policies having loan values, $117,371.70; loans on collateral, $54,000. The net ledger assets, exclusive of the non-ledger assets, June 30, 1910, amounted to $20,602,129, as against $18,316,637.47 at the same date of the previous year, showing an increase of 12½ per cent.

At the annual meeting of the **Indiana Association of Life Underwriters** July 14 Henry J. Powell, vice president of the National Association of Life Underwriters, and George L. MacDonald, of Louisville, were guests and made addresses. Two new members were received, James E. Glass, of the Prudential, and G. S. Brewster, of the Hartford Life. The officers elected were as follows: President, H. K. Merritt, of the Mutual Life; vice president, George R. Wilson, of the State Life; secretary, L. N. Hexter, of the Travelers; treasurer, Frank P. Manly, of the Indianapolis Life.

The work of removing the old building surrounding the **northwest corner of Maiden lane and William street,** New York, is progressing, and the City of New York insurance company and the New York Plate Glass insurance company expect to be housed in a fine new twelve story building on that site early next spring. The site is owned by the Maiden Lane and William Street Company, of which Major White, who is president of the New York Plate Glass, is also president. The new building will be an acceptable addition to the insurance district.

At the twelfth annual meeting of the **South Carolina Fire Insurance Agents' Association** at Charleston last week President Cofield said that the increase in living expenses demanded better commissions for agents. Insurance Commissioner McMaster read a paper on valued policy laws, and David Huguenin, president of the Equitable Fire of Charleston; John B. Reeves, of Charleston, the first president of the association, and Marvin Knowles, special agent for the Pennsylvania Fire insurance company, also read interesting papers.

The action of the Illinois Insurance Department in cancelling the license of the **Corn Belt Life of Danville** and applying for a receiver was intended to prevent any further reinsurances with resumption of business thereafter. The Corn Belt Life, which was a former small assessment concern, reinsured its outstanding business December 12, 1907, in the Western Life Indemnity of Chicago, resuming business thereafter. It reinsured its business again June 2 in the La Salle Life of Chicago, upon which its charter was cancelled.

The jury in the **second trial of W. H. Peck,** of Syracuse, former secretary of the People's Mutual Life Insurance Association and League, returned a verdict of guilty. The charge was for perjury in connection with his report to the New York State Insurance Department, in which he failed to include the founders' contracts as a liability. Peck's bail bond

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was continued until July 25, when sentence will be passed by the court. An appeal is to be taken immediately.

In his letter to the agents of the Northwestern Mutual, in convention at Milwaukee this week, **Charles D. Norton,** now secretary to President Taft, stated that he gave the agents advice enough last year to last until he got back, thereby intimating that he expected to return to the insurance field after finishing his political experience. He also said that the difference between politics and insurance was that there was no certainty of terminal renewals in politics.

The **Rhode Island Association of Local Fire Insurance Agents** has elected the following officers for the ensuing year: President, Joseph G. Henshaw; first vice president, James Gallivan, Jr.; second vice president, George R. Smith; third vice president, Arthur O'Leary; secretary and treasurer, Clinton T. Gamwell; executive committee, George L. Gross, W. W. Logee, C. H. Beach, William H. Herrick, S. M. Chase, J. B. Parsonage, C. A. Morgan.

The **Inter-State Fire of Birmingham, Ala.,** has elected W. L. Reynolds to be vice president and manager. A sufficient amount of the $500,000 capital has been paid in to enable the company to enter most of the States in the Union, and it is expected policies will be written not later than September 1. The other officers are: President, B. H. Cooper; secretary, A. M. Throckmorton; treasurer, John L. Parker; general counsel, A. G. & E. D. Smith.

Commenting on the threatened destruction of the Washington Market by the Pier 14 fire last Saturday, a citizen was heard to remark that **fire could do worse** than to destroy those outside meat stalls at the market, where flies travel from uncovered meat to the filthy street, and from street to meat again without let or hindrance from anyone. But the fire curtain of water saved the market, and the feeding of the flies is uninterfered with.

Interinsurance concerns are to be dealt with strictly by Insurance Commissioner Henry of Mississippi, who recently won the first case of its kind ever before a court of last resort, and by which decision it is established that **interinsurance organizations** are fire insurance companies and **amenable to the law.** Since they have no capital and cannot qualify Commissioner Henry will require that they keep out of Mississippi.

A referendum at **Los Angeles** has adopted the **license ordinance** passed early in the year, under which each fire insurance agent, broker or solicitor is required to pay $40 a year for each company represented. A similar license charge is provided for general insurance business other than fire, permitting the writing of life, accident, liability, plate glass and other miscellaneous lines under the one license.

The **Home Life of Oklahoma** has been granted an Oklahoma charter, under which it will begin business. E. J. Wood, an experienced life insurance man, will be general manager. The directors are N. L. Linebaugh, John N. Sheplee, D. H. Rolater, E. J. Wood, Claude Miller, C. T. Berryman, J. C. Skeen, S. F. Kolb and D. P. Lowry, of Oklahoma City; F .M. Frey, of Chickasha, and H. W. Stover, of Tulsa.

As imitation is the sincerest kind of flattery **we feel highly complimented** in finding a considerable part of the current issue of the *Insurance Vindicator* composed of verbatim extracts from this paper. It is true that their source is overlooked, but if we have in any way made it easy for our contemporary to get out such an excellent edition we are more than repaid.

The action of the **German National Life** in taking over the business of the German Mutual Life of St. Louis is being protested by old members of the German M. E. Church who organized the original society, but who lost control of it in the reorganization a few years ago. Rates for these members are raised by the new deal. The company is now on a legal reserve basis.

The taking of the testimony before the special master in connection with the claims against the bankrupt **Mutual Reserve Life** of New York and the receivership has been closed. The report was filed July 20, and under agreement between attorneys the usual thirty days given for filing exceptions were allowed, and the supplementary report will be filed August 5.

Present expectations are that the **Greenwich insurance company** of New York will be ready for business again early in September, by which time it is expected the stockholders will have paid in the amount required to wipe out the impairment to the capital stock. A net surplus of $50,000 is also being provided. Mason A. Stone will represent the Greenwich when it resumes.

The five **leading causes of death** among New York Life policyholders in June were consumption, heart disease, Bright's disease, pneumonia and cancers and tumors. Of the 615 deaths in the month 33 were from accident. The company paid $1,755,431.85 to their beneficiaries, and to 4,268 living policyholders paid in dividends, annuities, etc., $2,369,639.90.

The **Sprinklered Risk Underwriters and the Indemnity Exchange,** both of Chicago, have been barred from Tennessee on the ground that neither has been incorporated in the State or licensed therein, and that they have confessed inability to make the required deposit. All persons in the State are enjoined from buying insurance offered by these associations.

The board of control of the insurance department of the **Knights of Pythias** is considering proposed changes. Several State grand lodges have adopted resolutions asking that the insurance department be divorced from official connection with the order. This will be considered at the meeting of the Supreme Lodge to be held at Milwaukee in August.

The semi-annual statement of the **Home insurance company** shows aggregate assets of $27,599,748.92. With its capital of $3,000,000, the surplus to policyholders is placed at $15,266,588.13. Since the beginning of the year the assets have increased $292,176.64, and $200,000 has been added to the conflagration reserve, bringing the item up to $1,400,000.

Fire insurance concerns are also interested in the **cotton situation,** especially at the shipping terminals, where carelessness in storing during periods of congested traffic has greatly increased the fire hazard. An inspection committee has made numerous suggestions for improvements, which some of the terminal owners have promised to adopt.

The **Pacific Coast Fire of Vancouver, B. C.,** has doubled its former capital of $250,000, the new stock issue being oversubscribed. It is now writing only surplus lines in this country, but will enter, when the increased capital has been paid

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in, for direct business. The United States management will be with the People's National Fire of Philadelphia.

The **Standard Annuity Life of Evansville, Ind.,** has effected a preliminary organization with the following officers: President, Charles Sihler; vice president, George T. Ashley; treasurer, W. B. Miller; attorney, Edward L. Craig; medical adviser, Dr. J. W. Phares; director of agencies, A. A. Tourlette; directors, Otto Klauss and J. A. Riordon.

Hereafter **Indiana taxes on insurance business** will be apportioned on the reciprocal plan, each outside company being taxed according to the method applied to Indiana companies in the State of its home office. It is calculated that Indiana will profit by an increase in tax receipts amounting to about $12,000 under the new method.

Insurance against fire and cave-in damage is to be provided by the new People's Anthracite Company, now being organized at Scranton, Pa., where mine cave-ins frequently disarrange the surface of the ground. The capital is to be $1,000,000, with an equal surplus. These figures will probably prove none too large.

At the meeting of the **New York Board of Fire Underwriters** on Wednesday Willard L. Chambers, assistant secretary of the Sun of London, was elected assistant secretary of the board, and Willis O. Robb, secretary of the committee on loss and adjustments, was given two months' leave of absence with full pay.

The insurance on the building destroyed by fire at **Pier 14,** North River, on July 16 amounted to $258,000, on which the **loss** is total. The insurance on merchandise was $193,500. Marine losses will be heaviest on the steamer J. F. Dimock. The Harvard and Altamaha were but scorched. Three barges were destroyed.

The Chicago courts have been asked to provide a **receiver for** the agency of **Adolph Loeb & Sons,** the Frankfort Marine taking the initiative steps. It is declared that the agency has liabilities of $195,000, with assets of $125,000, and an effort is being made to liquidate without the expense of court proceedings.

The **Rossia** of St. Petersburg did not file amended scehdules under the recent order of the Texas Fire Insurance Rating Board, assuming that as it did a strictly reinsurance business it was not within the meaning of the order. Commissioner Hawkins has notified the company, however, that it cannot be excused.

The **Fidelity-Phenix** has been **barred from Texas** on account of Commissioner Hawkins' objection to the merger of the two companies, although that official admits that his construction of the situation may be a doubtful one. He says that if the company is not satisfied it can fight it out in the courts.

Members of the **Knights of the Maccabees** who change to hazardous occupations will not hereafter lose their insurance, but will be permitted to carry it at an increased rate. Recent changes in the bylaws provide for the classification of prohibitive occupations, with a considerable reduction of the list.

Banks and **money lenders** are **enforcing** the idea of **life insurance protection** for their loans to individuals. Some of them are reluctant about negotiating large loans unless sufficient life insurance to guarantee the payment in case of death is taken, if it does not already exist unincumbered.

The National Union Fire of Pittsburgh is preparing to launch the **Duquesne Underwriters Policy** in order to secure additional facilities in certain points. All the details of the innovation have not yet been decided upon, but President Cole hopes to be able to announce them soon.

At the first regular meeting July 14 of the **Inland Empire Association of Life Underwriters,** organized at Spokane by National President Whittington on his recent visit to that city, the constitution and bylaws were adopted, and the officers previously elected were ratified.

The **Suburban Fire Insurance Exchange** on Tuesday, voted down a proposition to give the executive committee power to abolish the brokerage department. The financial report showed the Exchange to be in good condition, and the stamp clerk reported fewer deviations.

The directors of the **Henry Clay Fire** of Lexington have accepted the resignation as president of Judge Matthew Walton, who consented to serve only during the organization period, and have elected Frank P. James, State Auditor of Kentucky, to head the company.

The first six months of 1910 brought a great gain in business for the **Union Central Life,** according to the figures for the period. There were issued 6,445 new policies, a gain of 686 over the same period of last year, which represents $15,969,989, a gain of $2,108,234.

It is noticeable that since the ruling by Insurance Commissioner Blake of Missouri that each stock **subscription blank must hereafter recite the amount of commission** to be retained by the promoter not a single joint stock company has been licensed.

Two Chicago boys, aged twelve and thirteen years, who were arrested Wednesday, **set fire to eight buildings** in two days. They are said to be the youngest pyromaniacs ever taken in custody. The damage they caused is estimated at $50,000.

Following an **attempt to readjust rates** on an adequate basis a court decision has been obtained by a member of the Royal Arcanum denying the association the power to raise the rates without the consent of its members.

A recent serious fire at **Charleston, S. C.,** has developed the fact that, although rated as a first class city, it has but few full paid firemen, and also that much of the insurance there is in non-admitted companies.

The *Coast Review* reports that of a total of $1,160,721 in premiums paid to twenty-nine **fire insurance** companies doing **business in San Francisco** the Home and Liverpool and London and Globe received $456,109.

The **Bankers Reserve Life** of Little Rock, Ark., is expected to be ready for business by August 1. The paid-up capital will be $150,000 and the surplus the same. P. P. Shaw and W. W. Land are the organizers.

The **North German Fire** of Hamburg, Germany, is about to enter the United States field again, having withdrawn several

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years ago. The company will be represented in the United States by Fred S. James & Co.

There are now two State insurance commissioners of **the same name.** One is E. C. Cooper, who has just succeeded E. Myron Wolf in California, and the other is E. C. Cooper of North Dakota.

The **Los Angeles Fire** has been licensed by the California Insurance Department. It has capital and surplus of $200,000 each, and J. H. Richards, of San Francisco, has been chosen general manager.

The **Minneapolis fire insurance loss** for the first half of 1910 was a record breaker. The claims were 1,370, as compared with 810 last year, and the payments were $1,285,747, as compared with $405,836 in 1909.

The month of July was productive of several **tornado losses,** one company having a total loss of $5,000 on a Kansas schoolhouse, while several severe storms were reported from Minnesota.

This year Insurance Commissioner Reau E. Folk, of Tennessee, is **running for re-election,** not on the regular Democratic ticket as before, but on an independent ticket.

The semi-annual statement of the **Fidelity-Phenix** Fire insurance company shows assets of $13,260,152, policyholders' surplus of $4,702,711 and net surplus of $2,202,711.

The **Metropolitan Life** now has so many agents in Chicago —over 550—that Vice President Haley Fiske on his last trip to that city had to meet them in instalments.

The Minnesota Insurance Department declines to permit the **Indemnity Life and Accident of Minneapolis** to issue a combination life, health and accident policy.

The California license of the **Rochester German** has been held up according to rule until the company shall have been examined by the New York Insurance Department.

California has licensed the **Hamilton Fire of New York.** Edward Brown & Sons, of San Francisco, have been appointed California general agents.

A **Winnipeg pond of the Blue Goose** will be installed August 20 by John F. Stafford with a degree team from the Minnesota and Dakota ponds.

The **Security Fire of New Haven** has declared a quarterly dividend of 3½ per cent., payable August 1.

The **Ohio Farmers insurance company** of Leroy, Ohio, has been licensed to do business in Illinois.

The Michigan Millers' Mutual of Lansing, Mich., was **admitted to New York** on Tuesday.

The **Citizens Fire of Charlestown, W. Va.,** is seeking to double its $200,000 capital.

Steps toward the liquidation of the **Atlas Life of St. Louis** are being taken.

Personal.

AGENCY APPOINTMENTS.

American of Newark: William P. Regan, special agent for Cook County, Ill.

American Surety: Howard Ecker, Cincinnati branch manager.

Columbia Life: Dr. W. A. E. Tenny, general agent and manager in Cincinnati.

Concordia Fire of Milwaukee: W. L. Nelson & Co., of Memphis, general agents for Arkansas.

Detroit Fire and Marine: James B. Brown, Jr., general agent for Colorado.

Detroit Fire and Marine: James J. Brown, Jr., special agent for Colorado; Oscar A. Malo, local agent at Denver.

Empire State Surety: Webb & Skinner, of Raleigh, general agents for fidelity and surety bonding for North Carolina, in addition to their other lines already handled.

Glens Falls: Charles A. Long, sole agency at Louisville.

Home Life of New York: Sam A. Meador and Paul W. Shepherd, general agents at Chattanooga, Tenn.

Insurance Company of North America: G. Hope Miller, special agent for New Jersey.

Liverpool and London and Globe: R. H. Pursell, State agent for Colorado and New Mexico.

Massachusetts Fire and Marine: Alfred J. Hodgson & Co., agency at Brooklyn.

National Surety: Gilpin, Van Trump & Montgomery, agents at Wilmington, Del.

Royal: Fred M. Johnson, special agent for New England.

Scottish Union and National: George J. Burke, special agent in Indiana, Kentucky, Tennessee and West Virginia.

Standard Fire of Hartford: Walter C. Leach, agent at Minneapolis; John Watson, agent at St. Paul; Lewis Hartz, sole agency for Cleveland, Ohio, and Cuyahoga County.

State Mutual Life of Worcester: Edward B. Ransehausen, general agent at Springfield, Mass.; Richard L. Sturdevant, general agent for part of Connecticut, with headquarters at New Haven.

Mr. Charles W. Scovel, a former president of the National Association of Life Underwriters, and for many years manager for the Provident Savings Life at Pittsburgh, has become a partner in the western Pennsylvania general agency for the Connecticut Mutual as Hemingway & Scovel.

Mr. George B. Lyons, formerly with the Equitable Life insurance company of New York, has been appointed by President Hamilton a special representative of the home office of the Federal Life insurance company, with the title of inspector.

Mr. H. E. Aldrich has been appointed Western superintendent for the Equitable Life of Iowa, and Mr. Frank M. Beard, of Marion, Ind., becomes superintendent of agents for Indiana and Illinois.

Mr. Harwood R. Ryan, of Boston, has been appointed an assistant actuary in the New York office of the New York State Insurance Department. He will begin his new work August 1.

Insurance Commissioner Crouse, of Maryland, has been quite ill at his residence at Westminster, Md., but, to the gratification of his innumerable friends, is getting well.

Mr. Dennis Hudson, special superintendent for the Prudential in Kansas City, has been appointed superintendent of agents for the Kansas City Casualty Company.

Mr. Douglas H. Rose has been elected vice president of the Maryland Life insurance company of Baltimore, and will also continue as actuary of the company.

Special Agent Eugene Sonneborn, of the Maryland Casualty for New York, was one of the injured in the Long Beach wreck of last week.

Mr. H. A. Hutcheson has resigned as special agent for the Royal in Indiana, to become special agent for the Washington Fire in the West.

President Louis S. Amonson, who has been to the Pacific Coast in the interests of the People's National of Philadelphia, has returned.

Mr. Gus B. Thornton, Jr., formerly special agent with the Aachen and Munich, died July 11 at Asheville, N. C.

Mr. L. C. Miller has resigned as general agent of the Pacific Mutual Life at Cincinnati, to remove to California.

Mr. Charles Jamm, special agent of the Svea, died at Buffalo July 15, after a few weeks' illness.

Secretary Otto E. Greeley, of the Calumet Fire of Chicago, is in the East for some time.

Insurance Commissioner Silas E. Barton, of Nebraska, is a candidate for renomination.

Casualty and Surety Insurance.

The public interested in insurance in New York State is beginning to awake to the face that **the liabiilty situation** is chaotic owing to the legislation placed on the statute books during the last session. In response to a large number of inquiries which have come to the office of Weed & Kennedy from their clients, the firm on Thursday mailed to each one a circular, which described the situation as it existed at that time. The circular says:

Two laws relative to employers' liability to their employees, passed at the latest session of the New York Legislature, are novel in this country, and, indeed, revolutionary. Several conferences of liability underwriters,

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sometimes together with as many as ten lawyers, specialists in such practice, have been held, but the situation created by these new acts is so entirely strange and menacing that the companies are not yet able to announce what course they will feel compelled to adopt toward employers in need of policies of indemnity for injuries to their employees. One thing is indubitable—the charge for this sort of insurance in "dangerous occupations" must be very greatly increased, and that the number of occupations that are declared by the new law to be "dangerous" is greatly multiplied. For example, "construction, operation, alteration or repair of wires, cables, switchboard or apparatus charged with electric currents" are pronounced "dangerous occupations." This makes the repair of your front door bell or the operation of your telephone a "dangerous occupation." There are many other things that will need discussion which, however, it is not yet time to call your attention to, as the new act does not take effect until the first of September, and the conferences being held by the managers of companies and their legal counsel may clarify the situation. The moment those conferences have resulted in declarations by the companies you shall be informed. Perhaps we should add that at present no company will quote rates for insurance of compensation to employees for damage incurred in the employments declared to be dangerous under the new law.

The twenty-fourth convention of the **Detroit Conference** will be held at Mackinac Lake, Mich., on Wednesday, Thursday and Friday of next week. Among the questions to be considered are the standard form of policy and the permanent bureau which the companies expect to maintain in conjunction with the International Association of Accident Underwriters and the Board of Casualty and Surety Underwriters. There will be reports from the committees on law, classification and new manual reporting agents and bureau, membership, taxes, licenses and fees, collections and physicians. The following addresses will be delivered: "The Ethics of Our Profession," H. B. Hawley, president of the Great Western Accident Association; "Litigation Under the Exception Clause of Industrial Accident and Health Policies," by R. Perry Shorts; "Venereal Diseases as Affecting Insurance Risks," Dr. F. E. Pilcher, medical director of the National Casualty; "Ethics of Business Getting," George W. Hatch, editor of the *Insurance Age;* "Wanted—A Stimulant," Charles M. Adams, agency manager of the Massachusetts Accident; "Claim Adjustments as Relating to Contracts and Agents," W. Irving Mullen, chief adjuster of the General Accident Assurance Corporation; "Death from Diseases Following Injuries," L. E. Brown, superintendent of the claim department of the Continental Casualty; "Factory Insurance—the Remedy," E. O. Howell, editor of the *Industrial Review.*

Unusual accidents of the week were: A Baltimore dentist pulled so hard as to break his patient's jaw, resulting in a $25,000 damage suit.

A Florida bather dove from a boat and came in contact with the pointed tail of a stingaree, which severed his jugular vein, death following in about five minutes.

A Meriden, Conn., child was bitten by a rat and died from loss of blood.

A Staten Island boat builder ate some stewed prunes and was made violently ill from strychnine poisoning. The poison had been accidentally spilled on the fruit.

A Hartford pedestrian waved his hand to a passing auto party, when his finger caught in the folded bows of the auto top and was pulled loose from his hand at the third joint.

An automobile at White Plains started while its owner was cranking it and backed into a cellar opening, falling on a young man, who narrowly escaped instant death.

Articles of incorporation for the new **Buffalo Casualty Company** of Buffalo, N. Y., were this week filed at Albany. The company has a capital of $100,000, fully paid in, and Charles H. Clemens, who has had more than twenty years' experience in the health and accident business, is to be president. The incorporators are E. P. Metcalf, president of the Atlantic National Bank, Providence, R. I.; R. H. Patton, Philadelphia; R. L. Smith, Philadelphia, formerly vice president of the Standard Mutual Life and the Southern States Mutual Life; Frank R. Shinn, vice president of the Citizens' Trust and Savings Bank, Columbus, Ohio; M. E. Cresswell, Philadelphia; A. R. Matthews, Philadelphia; W. E. Holloway, president of the Hungarian-American Bank, New York city; Charles H. Clemens, Buffalo; William H. Clemens, Buffalo; W. C. Moore, Buffalo *Evening News;* M. E. Patten, Syracuse; T. M. Johnson, Buffalo; R. M. Clemens, Buffalo, some of whom are connected with the Columbus Securities Company of Philadelphia, a holding corporation which controls the Columbus Casualty, the Union National Accident and the Empire Casualty.

The **Pennsylvania Casualty** regrets the loss of Secretary F. H. Kingsbury, and says so in its *Field Man* in this language:

We regret to announce the resignation of Secretary Kingsbury, to take effect August 15. Mr. Kingsbury was one of the original officers of the company, and for a number of years had full charge of the company's affairs. During the past few years he has devoted his time almost exclusively to the liability department of the company, traveling extensively in order to study local conditions, and taking an active interest in all of the associations of insurance companies formed for the study or betterment of liability underwriting. Mr. Kingsbury has accepted a position as executive superintendent with the United States Casualty Company, of New York, where he will continue to devote his time to the liability branches. During the many years he has been with us he has won a firm place in the affections and confidence of every officer and member of the home office staff, and has secured the warm friendship of a great number of the company's representatives, who will join us in our regret at his leaving and in wishing him every success in his new position.

The Wimberly law, recently enacted in **Louisiana** against the strong protest of companies writing health and accident policies, has resulted in the **withdrawal from the State** of the Great Eastern Casualty, the Preferred Accident and the United States Casualty, with the prospect of others following directly, and the State will likely be left without accident and health insurance, as it has no native casualty company. The new laws require monthly settlements in disability cases, and inflict a penalty for non-compliance equal to double the indemnity, with attorney's fees, which the companies contend will encourage fraud and litigation. Cases at court must be tried in the district where the insured lives. The companies consider that the business is not worth while, and will make no further attempts to handle it.

The offices at 71 William street, New York, will be opened next week as the "brokers' branch" office of the **National Surety Company,** and will be in charge of Joseph W. Cockey, for several years connected with the burglary department of the National Surety, and John B. Murphy, formerly with the United Surety of Baltimore, who will be resident vice president for the National. Mr. Murphy had a fine record for business prior to the exclusion of his company from the State, and his acquisition by the National should mean some good business. The new William street branch will be very convenient for brokers.

If it is established, as appears likely now, that **Ira Griffiths Rawn,** of Chicago, president of the Monon Railroad system, committed **suicide** instead of being shot by a burglar, there will be difficulty in collecting the $100,000 of accident insurance which he is said to have carried. The Casualty Company of America has wired its Chicago agent to make investigation. Its policy called for $25,000 in case of accidental death, with the usual double indemnity clause. The risk was largely reinsured.

The report of Louis L. Delafield and Charles H. Beckett, who were appointed by the Surrogate's Court of New York

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County as referees to examine the **National Surety** Company with regard to its sufficiency to act as surety on matters in that court, was received Friday morning. The referees say that "Our general impression as to the company is altogther favorable. The officers are men of probity and marked ability, and their administration of the company is intelligent and vigorous."

The Comptroller of the Currency has approved applications to organize the following **new national banks:** United States National Bank of Red Lodge, Mont., capital $50,000; the First National Bank of Elmhurst, Ill., capital $25,000. Certificates have been issued authorizing the First National Bank of Laton, Cal., capital $25,000; Merchants' National Bank of Butler, Pa., capital $100,000 (chartered July 13), and First National Bank of Racine, Ohio, capital $25,000, to begin business.

The **Southwestern Casualty** insurance company of Oklahoma City organized this week, and immediately filed an amendment to the articles of incorporation changing the name of the company to the Western Casualty and Guaranty Company. The capital remains at $500,000, and the new directors are J. H. Gaston, S. E. Moss, George A. Carden and I. J. Willingham, of Dallas, Tex.; I. P. Watson, of Guthrie, and D. E. Grove and W. E. Taylor, of Oklahoma City.

An Albany branch office is being established by the **North American Accident Company,** and agents in eastern New York, Vermont and western Massachusetts will report to the new office, which will be in charge of A. P. Knight, formerly agency director for eastern New York. Western New York will be given in charge of B. M. Snyder, with headquarters at Auburn, and central New York will be under the management of John H. Stephens, located at Utica.

A lively booklet entitled **"For a Rainy Day"** is the product of Chauncey S. S. Miller, now assistant to President Alexander, of the Continental Casualty. Mr. Miller, who was formerly a New York daily newspaper man, has put some of his best work in the booklet, which is devoted to arguments for accident and health insurance and descriptions of the Continental's policies.

The **Travelers** is **defending a suit** for $23,000, brought by H. W. Fisher, of Duluth, as compensation for the loss of his hand. Fisher made application for a policy in 1909 and five days later reeived a gunshot wound which resulted in the amputation of his hand at the wrist. The company says it declined the risk and that the policy was never issued.

Plate glass underwriters are just now interested in the announcement of an **increase in the prices of plate glass.** Between the prevailing cuts in the premium rates on account of competition and the increased cost of replacements the underwriters are wondering what profits are going to be this year.

There is nothing definite to say with regard to the **cotton bills of lading situation,** except that European bankers yesterday issued a statement that no unguaranteed bills of lading would be cashed after October 1. The surety companies are still working hard on the proposition.

Numerous companies writing accident and health policies are said to be considering **withdrawing from Louisiana** on account of the new laws requiring payment within thirty days, and also calling for monthly settlements on weekly indemnity claims.

Liability underwriters are **still wrestling** with the New York situation, the latest meeting being in Hartford on Thursday. Nothing definite was given out, although it is expected that rates will be announced within a few days, until which time meetings will be held every day.

As a result of the trip of Secretary Charles I. Brooks, of the **Ætna Indemnity,** through the West, the company is now re-entered in Colorado, where Ferris, Conway & Seelbach have been appointed as general agents for all departments.

The steamer Lusitania Wednesday carried **President Joyce,** of the National Surety, who will spend several weeks in Europe on business connected with the proposed plan to guarantee cotton bills of lading.

The **Casualty Company of America** has appointed the firm of Walker & Claypool, of Indianapolis, to be general agents for the State of Indiana.

A special directors' meeting of the **Commercial Casualty Company** will be held at Newark next week.

The New York office of the **Maryland Casualty** is now writing surety and fidelity business.

The **Continental Casualty** is paying double indemnity for automobile accidents.

Insurance Legislation.

Texas.

AUSTIN, July 19.—The Special Session of the Legislature convened today. Governor Campbell submitted a message recommending the outright repeal of the fire insurance rate board law and the enactment of a measure to prevent the combination of fire insurance companies to fix rates, and making unlawful acts of discrimination on the part of such companies to regulate and control fire insurance companies in the matter of fixing rates and operations in Texas. The other and most important feature of his recommendations is that the proposed law shall contain a provision prescribing rules and conditions under which fire insurance companies of other States and countries may be permitted to do business in Texas. He urges that any company that has withdrawn from the State because of any objectionable legislative enactment or which threatens to withdraw on account of such legislation shall be barred from re-entering or continuing business in Texas.

Senate Bill No. 3, by Mr. Hudspeth, was introduced, providing for the repeal of the fire rating board law. House Bill No. 1, by Mr. Baker, same as Senate bill, was also introduced. The bills were referred to the insurance committees.

The interest of a large number of the members in the primary elections going on in the State distracts their attention from legislative work, and no serious attempt will be made to consider business until next week.

Miscellany.

In Memoriam—Leslie D. Ward.

The Board of Directors of the Prudential Insurance Company at a meeting held on Monday adopted the following memorial concerning the death of Dr. Leslie D. Ward, vice president of the company:

The board has learned with profound regret of the death of Dr. Leslie D. Ward, the vice president of this company, which occurred Wednesday, July 13, 1910.

The many and valued services rendered by Dr. Ward to the

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company are beyond enumeration, the duration thereof being contemporaneous with its existence.

When a mere school boy he had taken arms in his country's defense. Upon his return to civil life, he resumed his interrupted studies and subsequently entered upon the career of a physician, a profession for which he showed marked ability and in which he seemed destined to win a high position. Brought by his profession in daily touch with the problems and perplexities of those who labor, his sympathies in their behalf were most keenly aroused, so that he was at once attracted by the suggestion of the formation of the company to give the laboring classes the benefits of life insurance. With characteristic vigor he lent his aid from the very outset to the promotion of the company's interests, being largely instrumental in securing the financial support essential to its success and adding to this that which was even more essential—personal encouragement and enthusiasm.

When the company was organized, Dr. Ward was but thirty years of age, and for thirty-five years thereafter to his death he gave to it constant and devoted service. He was elected a member of the first board of directors and also medical director, both of which offices he held for the remainder of his life. As the company grew it made increasing demands upon Dr. Ward, to which he never failed to respond. Finally abandoning a successful professional career in order that he might devote his whole energies to the promotion of the company's interests, he became vice president, in 1884, discharging the duties of that important office with ever increasing benefit to the company. Never forgetful of the character of the business in which the company was engaged, his earnest thought was always for the protection of those for whom it was created and for the promotion of their welfare. The Prudential was the chief interest in his life, and in its development he played a major part. Mastering every detail of a business peculiarly technical, he nevertheless was able to view clearly the broader questions of management and to bring to their solution the conservative consideration of a trained mind. His services were never given grudgingly, but, where the company's interests were at stake, with a whole hearted enthusiasm he labored in its behalf. Notwithstanding the increasing burdens which his important position placed upon him, Dr. Ward was approachable at all times by those in the company's employ, and no one held a warmer place in the hearts of the employees, both at the home office and in the field, than did he. His benefactions were many, but with the unostentatiousness which was one of his chief characteristics, most of them were unknown except to the recipients. He was ever ready to lend his aid and assistance to any enterprise having for its object the public welfare. His death removes from the service of the company a valued counsellor, an efficient executive and a beloved official.

In recognition of Dr. Ward's services, it is ordered that the foregoing minute be entered in full in the minutes of the board, that a copy properly engrossed be sent to the family of Dr. Ward, and also that copies be given to the press.

And it is further ordered that on the day of Dr. Ward's funeral, Monday, July 25, the home office, with the exception of such departments as are necessarily kept open by reason of legal requirements, shall be closed at 2:30 p. m., and that the field force be requested for two hours on that day, namely, from 3 until 5 p. m., eastern time, to discontinue the transaction of all business except such as may be rendered necessary in order to observe legal requirements.

And it is further ordered that the home office buildings of the company be draped in mourning for a period of thirty days.

Funeral services will be held Monday afternoon, July 25, at 3 o'clock in the South Park Presbyterian Church, at which Rev. Dr. Allen will officiate, assisted by Rev. Dr. Blanchard, of Madison, N. J. The honorary pall bearers will be John F. Dryden, Uzal H. McCarter, Thomas N. McCarter, William Scherrer, Chancellor Mahlon Pitney, Chief Justice William S. Gummere, George W. Perkins and former Governor Murphy. The body will arrive from Europe, Saturday, on the steamer Campania.

ACTION OF THE ASSOCIATION OF LIFE INSURANCE PRESIDENTS.

At a special meeting of the Executive Committee of the Association of Life Insurance Presidents held on Wednesday, the following memorial to the late Dr. Leslie D. Ward, vice president of the Prudential Insurance Company, was unanimously adopted:

The Association of Life Insurance Presidents learns with deep sorrow of the death of Dr. Leslie D. Ward, which occurred at London, England, on the 13th instant.

By his death this association has lost an active member and a faithful supporter of its work; the Prudential Insurance Company, of America has lost an efficient officer, whose efforts contributed much to its upbuilding; the business of life insurance generally has lost a distinguished leader and the State of New Jersey one of its foremost citizens.

The many organizations with which Dr. Ward was connected have lost much by his death, but his friends and associates have lost more. He was ever tolerant of the opinion of others, patient with their mistakes and shortcomings, modest in the expression of his own views and wishes, genial and pleasant under trying circumstances; in short, he was a gentleman in the truest sense of the word.

He was a man whose ability helped to make his country more famous than it would have been had he never lived and whose character helped to make his fellow men happier than if they had never known him.

In common with his many other friends we sincerely mourn his loss, realizing that he occupied a place in our affections that cannot be filled by any one else.

The following committee was appointed to attend the funeral at Newark, on Monday afternoon: Charles A. Peabody, president, Mutual Life; George E. Ide, president, Home Life; W. A. Day, vice president, Equitable Life; Haley Fiske, vice president, Metropolitan Life; John B. Lunger, vice president, Travelers of Hartford; Robert Lynn Cox, general counsel and manager, Association of Life Insurance Presidents; John J. Brinkerhoff, actuary, Association of Life Insurance Presidents.

Caledonian Insurance Co. of Scotland

FOUNDED 1805

"The Oldest Scottish Insurance Office"

United States Head Office: Caledonian Building, 50-52 Pine St., New York

U. S. BRANCH STATEMENT, JANUARY 1, 1909

Assets	**$1,967,934**
Liabilities	**1,393,015**
Net Surplus over all Liabilities	**$574,919**

CHAS. H. POST, U. S. Manager.
R. C. CHRISTOPHER, Assistant U. S. Manager.

JOHN P. MUNN, M.D
PRESIDENT,
FINANCE COMMITTEE
CLARENCE H. KELSEY
Pres. Title Guarantee and Trust Co.
WILLIAM H. PORTER
Pres. Chem. Nat. Bank
EDWARD TOWNSEND
Pres. Importers & Traders Nat. Bank

Good men, whether experienced in life insurance or not, may make direct contracts with this company, for a limited territory if desired, and secure for themselves, in addition to first year's commission, a renewal interest insuring an income for the future. Address the Company at its Home Office, No. 277 Broadway, N. Y.

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NATIONAL POLICIES SATISFY THE PUBLIC

NATIONAL CONTRACTS SATISFY THE AGENT

Territory open. Write for terms.

THE CONNECTICUT MUTUAL

That means the best life insurance to have and the best to sell. If you can sell life insurance, you can sell more of it for the CONNECTICUT MUTUAL.

Men of character and ability are invited to apply.

CONNECTICUT MUTUAL LIFE INS. CO., Hartford, Conn.

Please mention this paper

1860 50TH YEAR 1910

HOME LIFE INSURANCE COMPANY

OF NEW YORK.

GEORGE E. IDE, President

ASSETS, $23,626,018.63 LIABILITIES, $21,858,691.52 (Including Deferred Dividend Fund)

Dividend-Endowment Fund (Deferred Dividends)	$2,119,044.00
Net Surplus	1,767,327.11
Insurance in Force	92,532,583.00

The Record for 1909 shows the following GAINS:

Insurance in Force	$4,164,239.00
Assets	1,917,117.00
Deferred Dividend Reserve	148,581.00
Contingency Reserve (Surplus)	655,149.17

OLDEST IN AMERICA STRONGEST IN THE WORLD

The Mutual Life

Insurance Company of New York

Mutual Life Agents Make Most Money Because Mutual Life Policies Sell Most Freely

For terms to producing agents address:

GEORGE T. DEXTER, 2d Vice-President,

34 Nassau Street, New York, N. Y.

[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1, 1910

CAPITAL

$1,500,000

RESERVE FOR ALL OTHER LIABILITIES

8,222,018

NET SURPLUS

6,440,211

ASSETS

16,162,229

GERMANIA

FIRE INSURANCE COMPANY

Organized 1859 NEW YORK

Cash Capital	$1,000,000.00
Assets	$6,562,339.14
Net Surplus	$2,008,419.02
Surplus for Policy Holders	$3,008,419.02

HEAD OFFICE: Cor. William and Cedar Streets

The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1910	$3,470,509.30
Total Liabilities, except Capital	1,920,837.24
Capital	500,000.00
Surplus to Policyholders	1,549,672.06

F. F. BUELL, Special Agent, Troy, N. Y.

Provident Life and Trust Co.

OF PHILADELPHIA.

The Provident has been particularly distinguished for the development of a highly trained force of agents. The systematic instruction which its agents receive has resulted in their being recognized as representatives of exceptional knowledge of the business and of marked efficiency.

Insurance Company of North America

FOUNDED 1792

232 Walnut Street, Philadelphia

Assets, January 1, 1909 ..... $12,014,062.63

LIABILITIES—Reserved for Reinsurance and all other claims	$7,263,156.97	
Capital Stock	3,000,000.00	
Surplus over all Liabilities	1,750,905.66	$12,014,062.63

Agents in all the principal towns and cities.

EUGENE L. ELLISON, President.

T. HOUARD WRIGHT, Secretary. HENRY W. FARNUM, Assistant Secretary.

BENJAMIN RUSH, Second Vice President. JOHN O. PLATT, Assistant Secretary.

Surplus to policyholders, $4,750,905.66.

Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

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HOME OFFICE OF THE

Metropolitan Life Insurance Co.

INCORPORATED BY THE STATE OF NEW YORK

The Company OF the People, BY the People, FOR the People.

PROOF OF PUBLIC CONFIDENCE

This company has more premium paying business in force in the United States than any other Company, and for each of the last 16 years has had more New Insurances accepted and issued in America than any other Company.

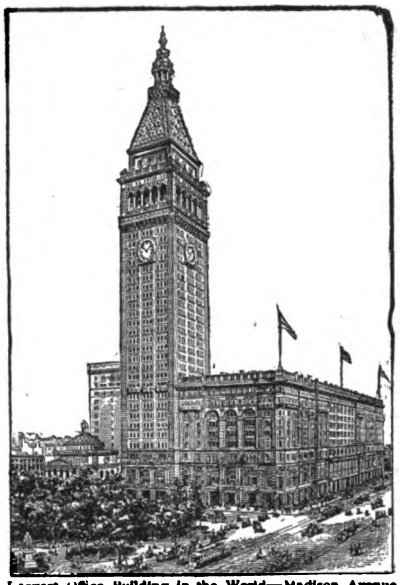
The number of Policies in force is greater than that of any other Company in America, greater than all the Regular Life Insurance Companies put together (less one), and can only be appreciated by comparison. It is a greater number than the Combined Population of Greater New York, Chicago, Philadelphia, Boston, St. Louis, Cleveland, Cincinnati, San Francisco, Pittsburg, Baltimore, New Orleans and Buffalo

ASSETS:

Municipal and R. R. Bonds and Stocks	$123,346,161.39
Bonds and Mortgages	105,183,172.02
Real Estate	23,311,215.72
Demand Loans on Collateral	172,930.00
Cash	5,420,643.42
Loans to Policyholders	11,193,245.61
Premiums, deferred and in course of collection (net)	5,190,288.45
Accrued Interest, Rents, etc.	3,290,211.85
Total	$277,107,868.46

LIABILITIES.

Dividends payable in 1910	$6,938,793.66
Reinsurance Fund and Special Reserves	237,213,384.00
All other Liabilities	3,053,470.82
Capital and Surplus	29,902,219.98
Total	$277,107,868.46



Largest Office Building in the World—Madison Avenue, Fourth Avenue, 23d Street and 24th Street, New York City.

SIGNIFICANT FACTS

This Company's Policy-claims paid in 1909 averaged in number one for every 63 seconds of each business day of 8 hours each and in amount $140.81 a minute the year through.

THE DAILY AVERAGE OF THE COMPANY'S BUSINESS DURING 1909.

456 per day in number of Claims Paid.
6,585 per day in number of Policies placed and paid for.
$1,463,755 per day in New Insurance placed and paid for.
$183,408.75 per day in Payments to Policyholders and addition to Reserve.
$132 172.72 per day in Increase of Assets.

OFFICERS

JOHN R. HEGEMAN.....President
HALEY FISKE.....Vice President
GEORGE H. GASTON....2d Vice President
GEORGE B. WOODWARD..3d Vice President
FRANK O. AYRES.....4th Vice President
F. F. TAYLOR.....5th Vice President
JAMES M. CRAIG.....Actuary
STEWART L. WOODFORD.....Counsel
WM. J. TULLY.....General Solicitor
FREDERICK H. ECKER.....Treasurer
WALTER STABLER.....Comptroller
JAMES S. ROBERTS.....Secretary
JOHN R. HEGEMAN, JR....Asst. Secretary
J. J. THOMPSON.....Assistant Secretary
T. R. RICHARDSON.....Assistant Secretary
GEORGE B. SCOTT.....Assistant Secretary
FREDERICK A. BETTS...Assistant Secretary
GEORGE C. PENHALLOW...Asst. Secretary
THOMAS H. WILLARD, M. D..Med. Direct.
AUGUSTUS S. KNIGHT, M. D..Med. Direct.
W. S. MANNERS, M. D..Asst. Med. Direct.
E. M. HOLDEN, M. D....Asst. Med. Direct.
D. M. GEDGE, M. D.....Asst. Med. Direct.

I. J. CAHEN.....Manager Ordinary Dept.
LEE K. FRANKEL, PH. D..Mgr. Indus'l Dept.
J. BERGEN OGDEN, M. D..Asst. Med. Direct.
JACOB CHADEAYNE..Mgr. Interm'd'e Branch

Paid to Policyholders since Organization, plus the Amount now invested for their Security, $537,223,523.83.
Number of Policies in Force, 10,621,679. Amount of Outstanding Insurance, $2,041,951,700.00.

A GREAT SIX MONTHS!

We closed the first half of 1910 with a rousing increase in new business over our record for the first half of highly prosperous 1909.

In policies and dividends we have what the public wants. In literature and canvassing aids we have what the agent wants. And back of all is a reputation gained from 59 years of activity as a Massachusetts Company.

If you are a genuine producer, a *delivering* producer, and wish to join our forces, address

GEORGE D. LANG, Superintendent of Agencies

MASSACHUSETTS MUTUAL LIFE INSURANCE CO.

SPRINGFIELD, MASSACHUSETTS

INCORPORATED 1851

National Life Insurance Co.

MONTPELIER, VERMONT.

Established in 1850. Operating in 36 States.

JOSEPH A. DEBOER. President.

FRED A. HOWLAND, Vice-Prest. OSMAN D. CLARK, Secretary.
JAMES B. ESTEE, 2d Vice-Prest. H. M. CUTLER, Treasurer.
A. B. BISBEE, Med. Director. C. E. MOULTON, Actuary.

This Company held January 1, 1910, and gained during the past decade:

ASSETS,	$47,490,998.98	- Gain, 167%
LIABILITIES,	41,661,130.12	- Gain, 162%
SURPLUS,	5,829,868.86	- Gain, 211%
INSURANCE,	161,423,115.00	- Gain, 79%

ABSOLUTE SECURITY AND ECONOMY OF MANAGEMENT

J. G. WALKER, President.
T. WM. PEMBERTON, 1st Vice-Pres. W. L. T. ROGERSON, 2nd Vice-Pres.
E. D. HARRIS, Secretary.

Organized 1871.

Life Insurance Company of Virginia

HOME OFFICE, RICHMOND, VIRGINIA

The OLDEST Southern Life Insurance Company.
The LARGEST AND STRONGEST Southern Life Insurance Co.
The PIONEER Southern Industrial Life Insurance Company.

Its policies are clear and definite in their provisions, and their values are absolutely guaranteed.

Assets, December 31, 1909	$5,372,691.99
Liabilities, December 31, 1909	4,312,405.32
Insurance in force December 31, 1909	68,337,613.00
Total payments to policyholders since organization	9,820,412.49

WORK FOR WORKERS

The Prudential wants Agents who will work for themselves and for the Company. The opportunities of the man who makes good are unlimited.

Write Us About An Agency.

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA.
Incorporated as a Stock Company by the State of New Jersey.
JOHN F. DRYDEN, President Home Office, Newark, N. J.

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Incorporated 1855.

THE
JEFFERSON FIRE
INSURANCE COMPANY
OF PHILADELPHIA

In Business Fifty-four Years. Surplus to Policy-Holders, Over $450,000.

AGENCY DEPARTMENT, 425 WALNUT STREET, PHILADELPHIA.

AGENTS WANTED AT ALL DESIRABLE POINTS.

201ST YEAR
SUN
INSURANCE OFFICE
OF LONDON

FOUNDED 1710

U. S. Branch: 54 Pine Street, New York

Western Department
171 La Salle St.
Chicago

Pacific Department
Sansome & Sacramento Sts.
San Francisco, Cal.

AGENTS WANTED AT UNREPRESENTED POINTS

BRITISH AMERICA ASSURANCE CO.,
INCORPORATED 1833.

Head Office: TORONTO, CANADA.

UNITED STATES BRANCH.
JANUARY 1, 1910

Assets	$1,556,740.94
Liabilities	902,438.61
Net Surplus	$654,302.33

HON. GEO. A. COX, President. W. R. BROCK and JOHN HOSKIN, K.C., LL.D. } Vice Presidents.
W. B. MEIKLE, General Manager.

Equitable Accident Company
161 DEVONSHIRE STREET, BOSTON, MASS.
"THE COMPANY THAT WORKS WITH YOU"

CAPITAL,	$100,000.00
SURPLUS TO POLICYHOLDERS,	182,372.07

Accident and Health Insurance
Commercial and Industrial Departments
Attractive Policy Forms—Liberal Commissions
WM. H. JONES, General Manager

QUEEN
Ins. Co. of America.
NEW YORK.

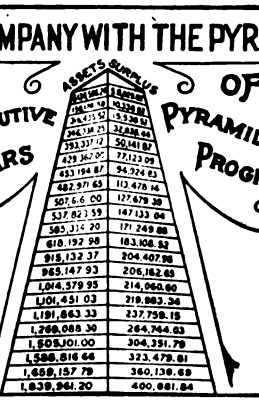
The Philadelphia Casualty Company
WALTER LE MAR TALBOT, President

Our New Accident Policy is Perfection
IT'S THE POLICY YOUR CLIENT WANTS
IT'S THE POLICY THAT'S EASY TO SELL

Personal Accident, Health, Liability, Automobile, Plate Glass and Credit Insurance.
AGENCY CORRESPONDENCE SOLICITED

The Preferred
ACCIDENT INSURANCE COMPANY
of New York
SUPERIOR POLICIES
KIMBALL C. ATWOOD, President,
290-292 Broadway, New York.

THE COMPANY WITH THE PYRAMID
40 CONSECUTIVE YEARS OF PYRAMIDAL PROGRESS



NEW HAMPSHIRE
FIRE INSURANCE CO.

TOTAL LIABILITIES $2,585,953.23
POLICY-HOLDERS' SURPLUS $2,610,064.23

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The Columbian National Life Insurance Co. of Boston, Mass.

LIFE, ACCIDENT AND HEALTH INSURANCE

The Only Massachusetts Non-participating Company.

The New Columbian Policies are Unexcelled in Clearness and Liberality. Good Contracts and Territory for Good Producers.

ARTHUR E. CHILDS, President

COMMERCIAL UNION ASSURANCE CO.

LIMITED,

OF LONDON.

OFFICE:

Cor. Pine & William Sts., New York.

1825. THE 1910.

Pennsylvania Fire Insurance Company

OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,349,097.67
Surplus	2,233,426.43
Total January 1, 1910	$7,332,524.10

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

INCORPORATED 1851.

Berkshire Life Insurance Company

OF PITTSFIELD, MASS.

All Policies issued by the Company are subject to the Massachusetts Non-Forfeiture Law.

JAMES W. HULL, President.

W. D. WYMAN, Vice-Pres. and Treasurer. J. M. LEE, Actuary.
THEO. L. ALLEN, Sec. ROBT. H. DAVENPORT, Asst. Sec.

Agencies in all the principal cities of the United States.

Continental Fire Insurance Company

Assets over . .	$22,000,000
Losses Paid over	72,000,000

All losses in the great Chicago, Boston and San Francisco fires paid in full.

Net surplus, exclusively protecting American policyholders, more than $13,000,000—larger than that of any other fire insurance company.

The CONTINENTAL offers the Policyholder absolute protection and the Agent proven loyalty.

Principal Office: 46 Cedar St., New York, N.Y.

Western Department:
280 La Salle Street, Chicago, Ill.

PHOENIX

ASSURANCE COMPANY, LIMITED, OF LONDON

(ESTABLISHED 1782)

LOSSES PAID, OVER - - - $200,000,000

HEAD OFFICE FOR THE UNITED STATES

47 CEDAR STREET, NEW YORK CITY

A. D. IRVING, JR., SECRETARY — LOUIS P. BAYARD, PERCIVAL BERESFORD, JOINT MANAGERS

HARTFORD LIFE INSURANCE COMPANY

CHARTERED FORTY-THREE YEARS

GEO. E. KEENEY, President. THOMAS F. LAWRENCE, Secretary

1909 Policy Contracts are Participating and Non-Participating. Annual or Deferred Dividends—Rates revised and made lower. Values based upon the FULL RESERVE. Desirable Contracts for Producers. Address—

Second Vice-President, Home Office, HARTFORD, CONN.

1894 1910

The State Life Insurance Company

Indianapolis

UNEQUALED IN SOLID ACHIEVEMENT

Assets Dec. 31, 1909, $8,580,830.58. Surplus 1909, $1,174,606.34.

GROWTH UNPARALLELED

	Gain in Admitted Assets	Gain in Surplus
1907	$1,001,409.00	$27,775.00
1908	1,023,700.00	153,161.00
1909	1,201,977.14	314,044.74

Eight Million Dollars in Securities Deposited With the State of Indiana.
This is $848,861 more than is required by law.

MOST ATTRACTIVE AGENCY CONTRACTS
Our Own Idea.
Every Contract Direct With the Company.
Scores of Good Men Have Joined the State Life Field Force since January 1, 1910.

On all Agency matters address: CHAS. F. COFFIN, 2d Vice-Pres., 1231 State Life Building

Insurance Brokers

PLACE YOUR

SURETY AND CASUALTY

BUSINESS IN THE

"Empire"

CAPITAL, $500,000

Business producers not now under contract wanted for open territory

Address AGENCY DEPARTMENT

THE EMPIRE STATE SURETY CO.

84 William St., NEW YORK.

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The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

VOL. LXXXIII. NEW YORK, SATURDAY, JULY 30, 1910. No. 5.

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

AN index to the eighty-second volume of THE WEEKLY UNDERWRITER, which closed with the issue of June 25, 1910, accompanies this week's paper. It will be found convenient by our readers for ready reference to insurance events that occurred during the first half of 1910.

THE country has lost a useful public official by the death of Thomas E. Drake. Although he was Insurance Superintendent over but a small territory, the seat of the General Government was there, and he was in a sense its insurance representative, particularly when it needed counsel in insurance matters and when insurance men gathered in conference at Washington. His influence was therefore national as well as local, and he was at all times equal to the calls made upon it. The office of which he had been the incumbent since it was established was a laborious one, and called for constant industry and zeal, and he gave to it these at the cost of his health and life. It can be truthfully said that he fell a martyr to duty. The tribute which Commissioner Macfarland, of the District of Columbia, has paid to his services, and which appears in our record of his career, is entirely just.

THE liability insurance companies, which have been in conference some time over the prospective consequences of the new liability laws enacted in New York, have at last reached the very proper conclusion that the rates must be materially advanced to meet the materially increased hazard. The new laws go into force on September 1, and they create so many new conditions that the business would take a long chance toward destruction if it continued on the present basis of rates. Much will have to be determined by practical experience with these conditions, and not little finally perhaps by court interpretations, but of the general broadening effect of the new legislation there can be no doubt. In one respect the responsibility of the employer is increased to an extent that can hardly yet be measured. Under one law the burden of proof regarding contributory negligence hitherto falling upon the employee has been transferred to the employer, and under the other law, which embraces injuries for so called specially dangerous occupations, contributory negligence by the employee will not count for the employers' defence at all. Present liability policies were not framed to meet the possibilities that may grow out of such changed conditions of accountability by employers of labor.

WE print the message which Governor Campbell sent to the Texas Legislature when it assembled at his call in special session last week. It is a cheap appeal to the predjudice which he assumes exists in the public mind against corporations, and is without dignity or reason. Political enemies in Texas charge the Governor with using the insurance situation for the advancement of his personal ends—it seems that he is a candidate for a nomination for United States Senator, not for Governor—and this document, as well as the call for a special session, is good evidence of it. When he urges the repeal of a law, which the insurance companies did not want and had no part in making, because it has furnished them with "an opportunity to levy additional tribute and oppress the people," he is illogical, not to say asinine. So far the Legislature has done nothing beyond receiving the repeal bills and those establishing new regulations for non-domestic fire insurance companies, including that of ejecting them forever from the State when they refuse to write business at State official rates or speak of withdrawing because they cannot afford to do it at a loss.

THE Gubernatorial boom of our friend, the Insurance Superintendent, has received a decided impetus from the intimation that it is likely to have the O. K. of Colonel Roosevelt, who has been assiduously devoting a part of his busy life to the ascertainment of the proper candidate of his party for the next New York Governorship. The New York *Times* is our informant, and it backs up its statement with these remarks:

> It is known that Mr. Hotchkiss possesses many of the traits which the colonel is looking for in the man to be selected to succeed Governor Hughes. In the first place Colonel Roosevelt has been informed that Mr. Hotchkiss is a thorough believer in the so called Hughes policies, and, if elected, he will be just as active a reformer as the present Governor. Further than this, Mr. Hotchkiss' friends assert that he will not be too much of a reformer, but will be practical enough to retain the support of the men whom Governor Hughes is said to have offended. Colonel Roosevelt is not in sympathy with a candidate whose virtues are so pronounced that they are pleasing only to the ultra respectable faction of the party. He wants to see a man selected who will be indorsed by the ordinary run of voters as well as by clergymen and ultra conservatives.

Nothing could be more satisfactory than this diagnosis of Superintendent Hotchkiss' availability as a candidate. He is a reformer, but not too much of a reformer. He can command the confidence of the insurance baiters, and at the same time rally to his support the victims of the baiting. That will, indeed, insure invincibility, unless the other political party puts up a man equally popular with both of the indicated classes of voters. In such case everything will depend on the final preference of the kind so felicitously described by the *Times* narrator as "the men whom Governor Hughes is said to have offended." There are a good many thousands of them, their influence

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extends into every polling place in the State, and their vote, under the circumstances described, would be the decisive factor in the contest. Now is the time for prospective candidates to make themselves solid with the offended ones.

"A SIX-WEEKS-OLD babe, with its billion of nerve cells, is a far more complex organism than the United States Steel Corporation or the Standard Oil Company. Imagine these great business aggregations operating year after year without examination or inspection by experts!" In this epigrammatic way the Provident Savings Life Assurance Society in its latest health bulletin to its policyholders seeks to impress upon them the needfulness of periodical medical examinations to keep themselves in the knowledge of their own physical condition. These examinations the company provides for its policyholders at their option and free of cost. The company is doing a great work in conserving the health of those who have committed themselves to its protection, and it is serving the dictates of a sound policy when thereby it prolongs their lives in the aggregate, with the resultant mortality savings. The Provident Savings, through its health bureau, has now issued the fourth of its series of bulletins for distribution to its policyholders, giving them instructions how by simple means of avoidance they may guard themselves from illness and even lengthen their spans of years. This educational matter is so cleverly written that it cannot fail to arrest attention and carry conviction, and thus it really deserves a circulation far wider than that embraced within a single company's clientèle. But President Rittenhouse is entitled to all praise for initiating a movement within his own domain which, while doing good there, will shine as an example for others.

Facts and Opinions.

The result of the meeting of the Eastern Union members, which was in progress as this paper went to press last week, was to postpone final action on the proposed dissolution of the organization for a further period of sixty days from July 25, the postponement also to apply to the resignations now pending. The effect of this action seems to be to clarify **the Eastern situation** to some extent, and while it was believed early last week that the Fire Underwriters' Association would completely fail of success on account of the declaration of President Henry Evans, of the Continental and associated companies, the feeling is more hopeful this week that the new association will ultimately be put upon a sound working basis and will take the place of the Eastern Union. The original committee of fifteen has been divided into sub-committees, to each of which definite territory has been assigned for the purpose of thoroughly covering the field and distributing the work. Until these sub-committees have opportunity to fulfil their tasks there are likely to be no developments of moment. The summer months will probably be devoted to their usual employment for recreative purposes. The early fall will undoubtedly witness a gathering of the company executives, who will have had opportunity to think over the proposition, and some of whom may be prepared to make concessions in order to promote the general welfare. The better class of agents here and there are beginning to express opinions favorable to the new organization, and it will not be surprising if there is found a strong sentiment among agents supporting the new movement. Before the new commission schedules can be put in operation in this city, however, there must be unanimous acquiescence on the part of the New York Fire Insurance Exchange, as has previously been explained in these columns, and the greatest difficulty, perhaps, will be to secure this. The new organization is thus far committed to the doctrine of "no excepted territory." Perhaps it may be willing to change its position on this matter if required later on. It may even be possible that some satisfactory solution may be found with regard to contingent commissions which will result in the co-operation of Mr. Evans and his associates and followers. It is certain that something must happen to harmonize the various interests, and it is felt by some that the pendulum has started to swing in that direction.

The meeting of fire insurance company officers and managers called for at Chicago on Tuesday to consider the proposed **reduction of expenses in the large cities of the West** was characterized by remarkable unanimity, seventy-five companies being personally represented, and promises of co-operation being received from sixty others. H. C. Eddy, resident secretary of the Commercial Union, was elected chairman, and Neal Bassett, Western manager of the Firemen's of Newark, secretary. G. H. Lermit, chairman of the joint committee which called the conference, reported on the situation, showing that committees representing the Western Union and the Western Insurance Bureau had combined to issue the call. He submitted the following resolutions, which were unanimously adopted:

Resolved, That the committee on reduction of expenses is hereby requested to confer with a representative committee of local agents in Chicago, Cincinnati, Cleveland, Louisville, Milwaukee and St. Louis, with the view of bringing about a reduction in the expenses of conducting the insurance business in these cities, it being the sense of this meeting that in such cities, where the brokerage system prevails, rules should be passed by the local associations therein limiting the rate of brokerage to be paid.

That the committee on reduction of expenses be requested to consider and recommend to a subsequent meeting of companies, what allowance, in addition to the commissions paid, should be made to agents to cover all incidental expenses, excepting local board expenses, and including the adjustment of small losses placed in the hands of agents for settlement.

That it is the sense of this meeting a premium should be collected for every policy under which a liability has been incurred, and the committee on reduction of expenses is requested to prepare a form of agreement to be signed by all companies willing to enforce the collection of the earned premium on every policy which has been in force.

A resolution was also adopted requesting the committee to call the attention of the public to excessive taxes on the insurance business, which have to be accounted for in the premiums charged for insurance. The sub-committee to have charge of the negotiations with the local agents in the various cities are as follows:

Chicago—Law Brothers, Fred S. James and Charles E. Sheldon.
Cincinnati—Thomas E. Gallagher, O. C. Kemp and Law Brothers.
Cleveland—E. G. Halle, O. C. Kemp and W. H. Sage.
Louisville—F. C. Buswell, T. E. Gallagher and C. R. Tuttle.
Milwaukee—Charles E. Sheldon, E. G. Halle and C. R. Tuttle.
St. Louis—W. H. Sage, Fred S. James and F. C. Buswell.

The leading article in a recent issue of *Pearson's Magazine* was entitled **"The Fire Insurance Gouge,"** in which numerous accusations against fire insurance companies and their methods of treating the public were made in most scathing terms. A fire insurance man of recognized capability and common sense to whom the article was referred absolutely refused to discuss it until assured that the article would not be given the dignity of recognition which the public use of his name in response would imply. He said, however, that the very character of the article showed that it was the product of one of the lower classes of public adjusters, whose tactics were those of one who would sort out all the rotten apples in a bushel and carefully display them on top to discredit the whole bushel. No one realizes more the presence of undesirable features in the insurance business than the in-

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surance man himself, who labors untiringly to mitigate them and counteract the influence of unprincipled persons who discredit the business. Such a tirade as this one, however, savors of a wild effort on the part of a despairing publisher in the maelstrom of a fierce competition to publish something sufficiently sensational to attract the pennies of the public. This fulmination of a disgruntled public adjuster, offered at this particular time when insurance companies are in a prominent public position, served the purpose of the publisher and brought gain to the author's purse. Its unwarranted effect on the public mind with regard to the fire insurance business, reputable and otherwise, was apparently considered by neither the publisher nor the writer.

The Kentucky courts have upheld the constitutionality of the law permitting municipalities to **tax the industrial and ordinary departments of life insurance companies separately.** The case at court was the tax on the Metropolitan of $100 on industrial and $25 on ordinary, imposed by Paris, Ky., in which the company alleged the unconstitutionality of the law. The opinion of the court is quoted by the *Insurance Field* as follows:

The rule in this State is that it is competent for the Legislature, by general laws for State purposes as well as by general laws delegating the power to municipalities, to divide trades, occupations and professions into classes, and to impose a different license fee upon each class that the trade, occupation or profession may fairly and reasonably be divided into. (The court here cites a long number of decisions upholding this rule.) The license fee in the present case is based upon the character of the business done. There is a well recognized distinction between life insurance done on the ordinary plan and that done on the industrial plan. The Legislature of the State has recognized this distinction. Industrial insurance is taken out in smaller amounts, the premium is larger and is payable weekly instead of quarterly, semi-annually or annually. Furthermore, where one agent looks after the collections of an insurance company doing business on the ordinary plan, there are several engaged in the work of collecting for an industrial company. Instead of collecting at their office, they visit the homes of the insured or the places where the insured are at work and make their collections there. Here, then, we have a case based upon a genuine distinction, and the rule is that if the distinction is genuine the court should not declare the classification void. The test in such cases is not the wisdom but the good faith of the classification.

Health Bulletin No. 4 of the Provident Savings Life Assurance Society, prepared for distribution among its policyholders, contains the following timely **health hints for hot weather:**

Keep your mind cool, and the thermometer will not worry you. After all, 96° in the shade is not so bad when we consider that the sun's temperature approximates 10,000° Fahrenheit. It is always physically injurious to lose your temper, but for some people it is positively dangerous to do so in hot weather. Heat and humidity beget irritability, and irritability begets more heat. It seems a hard combination to beat, but you can do it by cultivating the habit. Do not over-exert yourself, either physically or mentally, but keep you mind occupied with things of sufficient importance to exclude the heat. The man who keeps busy will be surprised when he reads about the weather in the evening papers. Remember that a vacation should bring complete rest to the brain cells and nerve centres which are most used in daily work. This can best be attained by giving rein to the "play instinct." On the other hand it is not wise to crowd too much excitement and strenuous exercise into a brief vacation, especially if you ordinarily lead a quiet and sedentary existence. Do not make your vacation a sort of "muscular spree." Be in the open as much as possible and exercise within your limits, but avoid physical exhaustion, particularly if you are over forty years of age. Do not starve yourself in hot weather, especially if you lead an active life, but remember that the extreme heat impairs digestion, and that undigested food is highly poisonous in hot weather. For the average individual a light diet with meat not more than once a day is the wisest course. If you wish to avoid sunstroke, avoid alcohol.

A communication from a veteran underwriter to the Chicago *Record-Herald* on the topic of the value of insurance benefits to the rebuilding of the **city of San Francisco** gives the fire insurance devil (as some folks try to believe) his due very properly and forcefully. The writer says:

In you issue of the 21st inst. you publish a very interesting letter from a correspondent which gave a description of rebuilt San Francisco, and detailed the large amount of building and improvement in that city since its great conflagration of four years ago. But your correspondent ignores entirely what, to my mind, was the most prominent feature of the conflagration, as well as the wonderful rehabilitation of the city in so short a time. That feature was the payment of $185,000,000 for losses by the fire insurance companies. This vast sum of money was three times as much as was paid by the insurance companies to Chicago on account of the great fire of 1871. The entire insurance interests of the world got a severe "shaking up" to accomplish this great result. The degree of financial skill shown by the managers of American insurance companies, which companies sustained the bulk of the loss, was truly wonderful. The companies of New York, Hartford, Philadelphia and other places called on their stockholders to put up additional money to meet the disaster—mostly in the way of new issues of stock at large premiums. The singular result, from my standpoint, was the apparent total lack of appreciation by the people of San Francisco of the prompt payment of such large and unexpected losses. The newspapers there were unstinted in their abuse of the companies that did not pay in full, which is not to be wondered at, but the constant omission to give proper credit where it is due for the great cause of the early restoration of San Francisco seems to me worthy of notice.

R. S. CRITCHELL.

A request has been received by the Chicago Association of Commerce from **George H. Holt,** president of the Policyholders' Union of Chicago for the re-opening of the controversy which was closed recently by the association's practical repudiation of Mr. Holt's virulent attack on the fire insurance business before the Illinois Fire Insurance Commission. It is understood that the association has refused to comply, and Mr. Holt has written the underwriters who signed the protest which led to its action, urging them to ask the association to go to the bottom of the matter and give the results publicity. The insurance men say that they regard the controversy as a closed incident, and that the notoriety for "publicity" for which Holt clamors is his chief interest in the matter. They claim that all he is after is advertising for his policyholders' union, which he has been running at a heavy loss, and that he hopes through such controversies as this, and his attempt to mix into the Indiana anti-trust investigation, to be able to pose before the business men as their defender from the insurance oppressors. The Association of Commerce is disgusted with Holt's attempt to use it for advertising purposes and venting his spite on the insurance interests, and therefore refused to continue the matter.

Complaint is made of a **snap adjustment at Lincoln, Neb.,** apparently due to the anxiety of local agents to curry favor with a large premium payer. Fire occurred in a pile of electric light poles in the yard of the Lincoln Traction Company, and a few days later the traction company mailed to each of the local agents interested under the traction schedule a bill executed on a basis of $3.09 per $1,000. Several agents promptly sent their checks for the amount claimed, while others forwarded their bills to their companies with recommendation of payment. Other agents investigated and found that the stock in the material yard was not covered under the schedule, and an agent who assisted in preparing this schedule stated that the traction company insisted that the material yard be left out, claiming that there was a likelihood of damage, and that specific insurance would be carried if any was needed. The officers of the traction company now admit that the poles were not covered by insurance, but hold that it was the company's intention to have them covered, and that therefore the insurance company should pay. Agents that have declined to pay claim that they are being put at a disadvantage by those who have paid, who are soliciting business on the basis of "liberal treatment."

The Hartford *Times* of Thursday says that **Insurance Commissioner Macdonald** of Connecticut will soon be able to hang the portraits of all his predecessors and his own on the wall of his office in the capitol. He has asked the relatives of all

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the commissioners who have preceded him for portraits of his predecessors, and from the relatives of each he has received a favorable reply. The portraits will be hung individually and not in a group. Commissioner Macdonald is making arrangements to go to Chicago for the purpose of appraising the value of the real estate in which insurance companies have interest. He will act in co-operation with an official from the Insurance Department in Massachusetts. By giving this matter his personal attention the commissioner expects to save the State from $500 to $700. In addition to this saving the State will have the benefit of the commissioner's personal knowledge of the property in question. Commissioner Macdonald, during the many years he was connected with the board of assessors of New Haven, was brought in close contact with the work of appraising real estate, and there is no one in the State who understands better the method of valuing real estate property than he.

Extracts were printed last week from a letter by President Hartigan, of the **National Convention of Insurance Commissioners,** to Commissioner Julian, of Alabama, deprecating the action of certain agents and general agents at Mobile in asking their companies to contribute to the entertainment of the delegates to the National Convention when it shall meet in annual convention at Mobile in September. Commissioner Julian has replied to the president in a letter, in the course of which he says:

I beg to advise you that I visited Mobile and found upon personal investigation of the matter of solicitation of donations from company managers that only two of the local agents addressed letters to the companies. The two agents wrote these of their own volition, thinking that the burden of entertaining the commissioners would fall upon the local agents—many being men of limited means. The Commercial Club, of Mobile, out of compliment to the insurance men, asked them to assume the matter of getting up the entertainment, but the Commercial Club has recalled the request and appointed appropriate committees. * * The citizens of Mobile assure me that it has been their desire to entertain this convention, and not one penny of expense, so far as the entertainment is concerned, must be borne by any commissioner, and that every dollar going toward such entertainment will be contributed by bona fide residents of the city of Mobile. I assure you that you may depend upon it that nothing will be done by the citizens of Mobile that will in any way embarrass the commissioners.

A Liverpool dispatch to the *Journal of Commerce and Commercial Bulletin* says that in spite of an advance in rates of premium the prospect for **marine underwriting** this year does not look very hopeful. Statistical figures just issued show that, compared with corresponding figures in steamer casualties in 1909 the amount of losses in the six months this year are about 48 per cent. more. In 1909 the total was £2,483,500, while in 1910 the amount is £3,426,500. "The loss of the Pericles was of course responsible for a large sum, but this does not enable us to get away from the fact that £943,000 more will have to be paid by underwriters for losses on steamers in the first half of 1910 than was due for the same period last year. In face of this one hears of tariffs being upset, of senseless rate cutting by leading underwriters, and a general tendency of unsettlement in the market. With an increasing total of losses it is surely the last act of madness to reproduce the state of things current a few years ago, when there was no basis of premiums, but only a mad scramble for business at any rate available."

A Spokane corespondent writes: "James H. Swearingen, of Kansas City, Mo., who claims a record by writing a **policy for $1,500,000** on the life of George E. Nicholson, president of eight cement companies in Western and Eastern States, with headquarters in Kansas City, has come to Spokane to broker part of that amount among insurance concerns in this city and other parts of the Pacific Northwest. He said that the policy is carried by forty-six companies, of which $250,000, the largest amount assigned to one concern, was underwritten in New York. Mr. Nicholson was examined 108 times, by two physicians on each occasion, and seventy-one physicians were employed to make the physical tests. The premium is a matter of a little more than $60,000. Mr. Swearingen said that because Mr. Nicholson practically holds the future of the cement business in his hands, the directors of the eight companies of which he is the head found it advisable and necessary to insure his life for $1,500,000. Mr. Nicholson is forty-nine years of age and is in perfect health."

Wisconsin raters contradict the claim of some of the companies that marked reductions are following the **application of the Dean schedule** in that State, except in the case of brick buildings. There are many reductions in rates on mercantile risks, but these are not so much attributable to the Dean schedule as to the extension or improvement of fire protection facilities since the former estimates were published, and to the fact that many places formerly classed as lumber towns or as being exposed to forest fires are now the centres of settled farm communities with cleared farms about them. A general rearrangement of estimates is being made by the Wisconsin Inspection Bureau, with a view to placing the entire State on an equal footing. This, due to the varying rates formerly promulgated for different towns and sections, results in radical reductions here and there.

Insurance business on **Montague street, Brooklyn,** seems to be looking up. Alfred D. Hodson, recently appointed to handle the business of the Massachusetts Fire and Marine of Boston, has taken new offices for that business in the ground floor of the Continental Building, which are now being decorated and furnished for occupancy. Although Mr. Hodson began writing policies for that company on Tuesday, six were ready for delivery that night, approximating $100 in premiums. Mr. Hodson has secured John J. Doherty, formerly with the Hanover in New York, who will be counter clerk at the new offices, and who has an extensive acquaintance with New York brokers who handle Brooklyn business. Further up the street the carpenters are busy with preparing a fine two floor suite of offices for the North British and Mercantile agency, which will be ready soon.

The date for the **trial of President Lewis H. Vail, of the Dutchess** insurance company, has been set for September 12. Judge Fisher, of counsel for the State, in presenting a motion to fix the date, stated that in case he was unsuccessful with the motion Governor Hughes would call an extraordinary session of the Supreme Court to try the case and would appoint a special justice to sit. The testimony of Milton A. Fowler, an aged director of the Dutchess Fire insurance company, which was taken Thursday on account of his failing health, disclosed that the defense of President Vail will be that the resolution which Mr. Vail is charged with removing from the record book for the purpose of deceiving the Insurance Department was never adopted by the board of directors, and that therefore its removal did not constitute a mutilation of the records and that it was no crime.

Because in a spirit of generosity he attempted to buy a **life insurance policy** of the Metropolitan **for the benefit of wife No. 2,** James Purdy Townsend, of New York and Staten Island, is under arrest charged with bigamy. It appears he had been maintaining two home establishments, alleging out of town business trips as explanations for his necessary absence from each when at the other. The Metropolitan in in-

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vestigating Mr. Townsend before issuing the desired policy found that he had had a policy several years ago, the beneficiary of which was of a different name, and that nothing was said in the later application about having had a second wife. The arrest followed. It is said that the deception of the two women was perfect, and might never have been learned except for the insurance company's activity.

The **Nebraska Association of Local Fire Insurance Agents** at its annual meeting at Omaha on Tuesday elected the following officers: Paul Colson, of Fremont, president; W. S. Clapp, of Kearny; B. L. Baldwin, of Omaha; Alfred W. White, of Plattsmouth; O. W. Palm, of Lincoln; Fred Heller, of Nebraska City; T. F. Horn, of Auburn, vice presidents; C. O. Talmage, Omaha, secretary and treasurer. The following resolution regarding commissions was adopted:

Whereas, The Nebraska Association of Local Fire Insurance Agents, in convention assembled, have heard that the general managers of companies are liable to make some reduction in commissions paid the local agents in the territory of the Western Union, therefore, be it

Resolved, That this association go on record as being definitely opposed to any reduction whatsoever in the rates of commission paid, as the cost of producing the business is such that competent agents cannot afford to devote their time to it for any less compensation than now prevails.

It is understood that the appointment of a **successor to Insurance Superintendent Drake**, of the District of Columbia, will not be considered by the commissioners of the District until the return of Commissioner Rudolph, who is expected in Washington August 15. The office is directly under the supervision of Commissioner Rudolph, upon whose recommendation the appointment will be made. Daniel Curry, the examiner of the department, is at present acting superintendent by the appointment of the District commissioners, and it is confidently expected that he will succeed Mr. Drake. He is quite competent for the duties of the office, with which he has been connected since July, 1902. Besides having a practical knowledge of insurance he is a member of the Washington bar.

The will of **Dr. Leslie D. Ward**, vice president of the Prudential insurance company, was filed for probate on Wednesday in the Surrogate's office in Newark, N. J. There are specific bequests approximating between $150,000 and $175,000. The entire estate, estimated to be worth $4,000,000, is disbursed among relatives, friends and employees, the residuary legatees being the testator's son, Leslie P. Ward, and a granddaughter, Helen Ward, six years old, daughter of the late Herbert E. Ward. Each of the residuary beneficiaries is to receive $10,000 annually in quarterly payments, and such further sums not exceeding the balance of the income of their shares as shall seem to the trustees in their discretion to be necessary until each shall attain the age of fifty years, respectively.

By the amalgamation of **the Franklin Life and the La Salle Life** on Tuesday at Springfield, Ohio, the former company is changed to a stock basis, and the latter, which is said to have been organized for the purpose, is retired. The new company will be known as the Franklin Life, and it takes over all the assets and liabilities of both companies. All rights and interests of the existing policyholders of the consolidated company in the net surplus funds of the company and the surplus funds hereafter accruing on account of the various policies is to be preserved inviolate by the consolidated company. The first board of directors is made up of a combination of the present boards of the Franklin and the La Salle, to hold until the first annual meeting of the stockholders in 1911.

The appointment of W. C. Culkins, of Cincinnati, as manager of a special department of the **Equitable Life** at Cincinnati is said to foreshadow the plans of the company for developing its business among the class of people who have heretofore restricted their insurance protection to the fraternals. This is because of the cheapness of their insurance and the fact that the premiums can be paid monthly. It is understod that Mr. Culkins will work out a plan for writing insurance on **the monthly payment plan** in connection with building and loan associations. The national convention of these associations, at its last meeting, adopted resolutions favoring the combination of life insurance with their plan of loans if a feasible plan could be worked out.

The New York Life, in a bulletin to its agents, says: "One of our big New England writers, John J. McAndrew, of Boston, was in the office the other day in reference to a big case, and said in connection with it that a bit of advice from President Kingsley to him many years ago was largely responsible for the big cases which he has been so successful in securing. The advice was that, from the experience of a practical life insurance man, the mistake too many **agents** make is in **not striking high enough.** That is to say, they hesitate to tackle big men, when, as a matter of fact, a man of large affairs and large means is generally more amenable to insurance propositions than the small man, since he has more at stake and views matters more broadly."

The Royal Arcanum members have not won so great a victory as they supposed when Justice Kelly held that the order had no power to increase rates without the consent of the older members. There is no limit to the number of assessments which the order may collect. This procedure would raise the desired amount of money, but there is a question as to whether the situation would satisfy the future demands of the insurance commissioners as to adequate rating. The new uniform legislation to be offered the various States by the National Convention of Insurance Commissioners may confer special authority on the fraternals to increase the rates with or without the consent of their membership.

The declaration of a Passaic, N. J., woman that she was offered $25 to **set fire to the house** she lived in to give the owner a chance to collect some insurance has put the police of that city on the alert. Numerous small fires have been happening there, most of them in stores at about midnight, and nearly all of them following an explosion. The police think that the fires have been incendiary and that the noise of the explosions was calculated to warn the people sleeping above. The woman said that there were many women and small children in the house she occupied, and that "I could not do the job, much as I needed the $25, because I would be afraid to meet my God."

A decision has been handed down by Judge Windes in the suit filed against J. E. Griffin, his heirs and assigns, to set aside the 100 year contract under which Griffin was **drawing from the Federal Life** $2 for each $1,000 of insurance written, the same on first renewals and $1 on each subsequent renewal. The contract is held to have been binding until the date of filing the suit, which was in March, 1907. Up to that time Griffin is entitled to $93,739.65, and the court also orders the return of the books, charts and plans originated by him. The company will probably appeal from the decision.

The **Fidelity-Phenix** is not satisfied with the ruling of Insurance Commissioner Hawkins, of Texas, who barred the

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company from that State on objections to its merger, and **will appeal to the courts.** In an opinion by the Texas Attorney General on the matter an interesting point is raised, the Attorney General taking the position that so far as competition in fire insurance rates is concerned the State law itself killed that by appointing a State rating board with power to fix a rate which all fire insurance companies must collect. The Fidelity-Phenix consolidation was effected after the Texas State fire rating law went into operation.

The **Girard Life of Philadelphia** is placing special emphasis on its monthly income policy, using the argument that the average widow who becomes possessed of several thousand dollars on the death of her husband is unaccustomed to business methods, and is in the majority of cases easy prey for sharpers who lie in wait. By means of the monthly income plan a man may provide with certainty for his family, either for a limited period or for the lifetime of the beneficiary, as desired. The company says that statistics show that 85 per cent. of all insurance left to inexperienced beneficiaries is lost in some way within five years.

The **Fire Prevention and Inspection Bureau of St. Joseph, Mo.,** has sent circulars to the companies asking them to consent to an assessment on the annual premiums as a way of defraying the expenses of the bureau, instead of the flat charge of $1.50 per month now imposed. This is not enough, and a number of the smaller companies have complained of the inequity of the system. The companies are asked to consent to an assessment of one-quarter of 1 per cent. on the 1909 premiums to carry the bureau for the quarter beginning July 1. It is claimed that its work has greatly improved conditions in St. Joseph.

There is such a thing as too much zeal. **Never pester a man** so that he considers you a bore, says *Office and Field* of Toronto, and then it adds:

There are some thick headed individuals posing as life insurance solicitors who are as devoid of tact as a grizzly bear of manners. They would talk insurance to a man at his wife's funeral, or interrupt him at family prayers. These are the men whose blundering stupidity and forwardness have made the name of "life insurance agent" synonymous in some men's minds with unmitigated gall. They are responsible for whatever prejudice exists in the minds of the public against insurance canvassers. They have doubled the difficulties in the way of other insurance men who try to carry on their business in a decent way so as to retain the respect and good will of their clients.

The liquidation of the **People's Mutual of Syracuse** by the New York State Insurance Department has progressed to such a point that a distribution amounting to 60 per cent. has been ordered this week by the court. The dividend checks will be sent out begining August 1, and it is expected that about two months will be needed to write and mail the 38,333 payments, which will be made in order of date of joining. The total expense of the liquidation was only six-tenths of 1 per cent. of the assets. The total dividend to policyholders will be slightly less than 90 per cent.

One of the reasons **why costly fires** do and will continue to **happen in New York city** was illustrated Tuesday when a boy was observed drawing gasoline from a barrel on the sidewalk of a narrow street near Cortlandt street. The liquid was being spilled on the walk by reason of the leaky faucet and the boy's carelessness in allowing the measure to run over, and the hot rays of the sun were hastening the evaporation and dissemination of the fumes, which might have easily ignited from a cigar of any passerby. There appears to be need of more education as to fire prevention.

The statistics of the Washington Fire insurance company of Seattle since its organization, covering a period of four and one-half years, show a decided **loss on sawmills** in the Pacific Northwest, but a good **profit on shingle mills.** Inasmuch as the sawmills contain nearly all of the so called "better" woodworkers, that is, the big modern plants with sprinklers and other protection, it would appear that it is the old story of getting "good" risks down to an unprofitable point and leaving "poor" ones where there is money in them. The shingle mill rates average 8.60 per cent.

Several Chicago local agencies have incorporated recently, and the rules of the **Chicago Board of Underwriters on incorporated agencies** are being looked up. Membership in the board must be personal, and where agencies have incorporated the head of the firm usually holds the board membership personally. The rules provide that no person can be a member of an incorporated agency who is not eligible to receive commission on his own account, and each agency must throw its books open to the board to reveal the eligibilty of its stockholders whenever required.

The **St. Louis National Life** has been reorganized and has elected E. L. Waggoner president in place of Otto H. Rassfield, who succeeded Harry B. Gardner a short time ago. This change was the result of a purchase of 1,100 shares of stock by a representative of the Citizens National Life of Louisville. On being notified of his dismissal as general manager of the St. Louis National, Baird Pallette refused to acquiesce, claiming that he had a three years' contract at $4,000, and that he should remain on the job.

On the ground that **overinsurance leads to incendiarism,** Insurance Commissioner Hartigan, of Minnesota, will issue a bulletin on August 1 giving notice that every flagrant case of overinsurance coming to the notice of the department will mean a revocation of the guilty company's license, and also of the license of the agent procuring or writing it. This action follows a long continued effort on the part of Commissioner Hartigan to enlist the active aid of the companies to stop the evil practice.

A last effort to stop the **investigation of** the Continental Life insurance company and the International Fire Assurance Company of St. Louis, both known as **Gardner companies,** is a motion asking for an appeal from the recent refusal of the court to take the Continental out of receivership. If the motion is granted all proceedings will be held up until fall, otherwise there will be nothing to hinder the referee from going to the bottom of the management of these companies.

The **Fraternal Tribunes** of Rock Island, Ill., whose merger with the American Home Circle has brought about numerous suits against the organization and caused several of its officials to be indicted on criminal charges, is in the hands of a receiver on an order for dissolution granted by Judge Creighton on Monday of this week. The society has done no business since March, has no property and is more than three months behind in the payment of death claims.

The appointment of a special master to investigate the sale of the **Southern Life of Fayetteville,** N. C., to the Seminole Securities Company of South Carolina, which has been defunct for some time, brings again to public attention that once renowned case. Bonds amounting to $150,000 are involved, as is also the alleged big commission for putting through the deal, said to have been received by C. J. Hebert. The special master is Albert L. Cox, of Raleigh.

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It is stated that the action of the **Indiana** authorities in changing the plan of **taxation of insurance companies** to the reciprocal plan will not be applied to companies which are now paying under the Indiana plan a larger tax than they would under a reciprocal assessment. For that reason there will be no change in the amounts to be paid by New York companies, as a reciprocal assessment would mean a reduction from 3 per cent. to 1 per cent.

The report of Harold G. Howe, business manager of the minstrel show put on by the **Barebones Alumni Association** for the benefit of the Insurance Society of New York, under date of July 19, gives a total of $1,041.91 as the total net proceeds of the show. In his statement to the society Manager Howe says that it is the thought of the committee that a permanent organization be effected to make the minstrel show an annual feature.

According to the opinion of the **Texas** Attorney General marine insurance companies doing a strictly **marine business** are not required by Texas statutes to file such a bond as is required of fire insurance companies. The opinion was asked on account of the fact that an English marine company is seeking admission to Texas for the first time. Any combination of fire and marine business would require the company to file bond.

The bond of $20,000 filed by **Harry B. Gardner** as security for his proposed appeal from the decision not to revoke the order creating the receivership for the Continental Assurance Company of St. Louis has been rejected, and it is expected it will now be raised, possibly as high as $150,000. Similar action may be taken in the twin case of the International Fire insurance company, in which bond is now fixed at $10,000.

A Brooklyn insurance agent who has been in the business long enough to have the courage to turn down undesirable business is of the opinion that the new Fire Underwriters' Association would be **a decided benefit to him,** notwithstanding decreased commissions, and likewise of benefit to all insurance agents who are out for good business and not merely for volume of initial commissions.

The advance report issued by the Insurance Department of Minnesota, showing **life insurance gain and loss** exhibit for 1909, contains a typographical error that does injustice to the Mutual Life insurance company of New York. The loadings earned during the year and actual expenses are stated and the ratio of the former is given at 86 per cent., whereas the correct figures would be 66 per cent.

A **sentence** of not less than two years nor more than five years at Auburn State Prison was imposed on **W. H. Peck,** former secretary of the People's Mutual Life Insurance Association and League, late of Syracuse, by Justice De Angelis Monday. A certificate of reasonable doubt was then granted, and Peck is now under $2,500 bail awaiting the outcome of the motion for a new trial.

Having apparently effected a harmonious reorganization the **Commonwealth Life of Omaha** expects to be ready for business at once. The final examination of the books by the State Department has been completed. The officers of the company are: President, Sherman Saunders; secretary, Frans Nelson; treasurer, A. D. Merriott.

The city of **Elmira, N. Y.,** is in a bad way so far as **fire hazards** and protection go, say the engineers of the National Board of Fire Underwriters. An insufficient water supply and low pressure, inadequate fire department and antiquated fire alarm system are among the things specified in the report. The report is likely to make a difference with the key rate in Elmira.

A new organization in Philadelphia is the **Keystone Life insurance company,** now being promoted by the Industrial Underwriting Company, which will also act as general agents after business begins. The capital is to be $100,000, in shares of $5. The officers are: President, J. L. Hargreaves; secretary and treasurer, F. McGinniss; agency director, Sidney M. Ormsby.

The **Child Welfare Exhibit,** to which the industrial life companies are lending at least their moral support, is to open in the Seventy-first Regiment Armory, at Thirty-fourth street and Fourth avenue, New York, on November 1 and continue through the month. The purpose will be to teach mothers how to care for the health and other interests of their children.

The members of the Eastern Union will have opportunity to discuss affairs on **September 25** without interruption by prying reporters, most of whom will undoubtedly be enjoying the Sabbath at some seaside resort. The better the day the better the deed, regardless of which side of the fence the organization hops off on.

The Western companies, by signifying their intention to take up several of the matters upon which the **Illinois Fire Insurance Commission** was about to offer suggestions, have caused the commission to adjourn until October. The commission would evidently prefer the companies to make changes of their own accord.

It does not appear who was responsible for the statement that the **Philadelphia Rapid Transit insurance** had been given to London Lloyds at 40 cents. The line is now being written in a number of regularly admitted companies at a rate of 50 cents just approved by the Philadelphia Fire Underwriters' Association.

A new fire insurance company is to be organized by H. I. Brown, of the firm of Henry W. Brown & Co., to be known as the **Independence insurance company.** The capital first proposed was $100,000 with a $50,000 surplus, but with subscriptions coming in rapidly an increase may be decided upon.

Unaccompanied by any rain **a flash of lightning** fired a large barn near Hartford adjoining the bungalows occupied by a prominent fire insurance agent and a prominent fire insurance broker of Hartford, requiring the two men to rush out in their night clothing and fight to save their bungalows.

The visit of Mr. Harold W. Letton, of Chicago, United States manager for the **Prussian National** insurance company, to San Francisco this week gives rise to the rumor that his company is about to re-enter California. Numerous applications to represent the company there have been filed.

Observes the *Ingleside*, published by the United States Life, in the current issue: "This is true—everlastingly true. Is it true of you? It is not the $5,000 or $10,000 policy you are 'going to take,' but the $1,000 or $2,000 **policy you actually have** that counts if and when you die! Think this over."

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The vacancy in the **Massachusetts** Insurance Department caused by the resignation of **State Actuary** Harwood E. Ryan to become assistant actuary with the New York State Department was filled Wednesday by the appointment of Charles G. Smith, actuary of the Puritan Life of Providence.

A new joint company policy to be known as the **United States Underwriters** has been issued by the Crum & Forster agency, of New York, and approved by the New York Insurance Department. It will be backed by the North River, Empire City, United States and the Nassau.

The County Court at Topeka, Kan., having decided that the fire insurance companies do not violate the anti-trust law by purchasing rates from the **Eldridge Rating Bureau,** the Attorney General of Kansas and Insurance Superintendent Barnes are preparing papers for an appeal.

It is expected by Clarence Hodson, corresponding secretary of the new **New Jersey Fire insurance company,** that the company will be ready to begin writing New Jersey business in October. No other States will be entered until the beginning of the new year.

Articles of incorporation for the **Underwriting Company of Louisville** have been filed by Rowan Hardin, A. J. Bizot and H. Tatum, of that city. The firm expects to represent fire and life insurance companies.

London Lloyds is now **writing lines on King George.** The policies are subject to cancellation at the end of any twelvemonth if so elected by the underwriters, have no surrender value and cost £4 4s.

The **Security National Fire** is being organized in Philadelphia. It is proposed to have a capital of $10,000,000, although it will start business when $200,000 capital and $800,000 surplus has been paid in.

The **new manager** for the Pacific Coast departments of the Aachen and Munich and Caledonian insurance companies, to succeed the late A. R. Grim, **is Thomas J. Conroy,** business partner of Mr. Grim.

Acting on a bill filed by the Illinois Insurance Commission asking for the dissolution of the **Decatur Life Association** the Mason County Circuit Court granted an order restraining the organization.

The latest foreign company to enter this country for reinsurance lines is the **Nordische of Moscow,** which will deposit $200,000 in Connecticut and be represented by Fester, Douglas & Folsom.

The New York Insurance Department is examining into the excellence of the **Republic Assurance Company of New York,** which intends to have a capital of $5,000,000, with equal surplus.

The **cost of dwelling house insurance in Minnesota** as compared with other States is being investigated by Insurance Commissioner Hartigan, whose report will be ready soon.

The **Insurance Brokers' Association of New York,** at its meeting this week, elected fifteen new members. A considerable number of applications for membership are pending.

An aviation meet was a feature of the entertainment for the members of the **Nebraska Association of Local Fire Insurance Agents** at Omaha July 25.

It is the **Norddeutsche of Hamburg,** and not the North German, which is planning to re-enter the United States. The North German is in process of liquidation.

The **Order of Owls** may hoot in Massachusetts, having won the litigation started by the Attorney General to oust the organization.

The **Security of Davenport** is adding $100,000 to its capital stock, making it $200,000, and is also adding $100.000 to surplus.

An effort to legally **banish the parlor match** from West Virginia will be made at the next session of the Legislature.

It is stated that the **Union Central Life** is to build a new $3,000,000 home office building at Cincinnati.

The **Southern National Life** has decided to move from Louisville to Lyndon to escape high taxes.

The **Standard Marine of Liverpool** has been granted a permit to transact marine business in Illinois.

The **American Bankers Life of Chicago** has been licensed to begin business in Illinois.

The **American Life of Des Moines** has been admitted to Illinois.

Personal.

AGENCY APPOINTMENTS.

Continental: A. T. Miller, special agent in Wisconsin.

New York Underwriters' Agency: James Grover, special agent for Connecticut, Vermont and western Massachusetts, with headquarters at Springfield, Mass., effective August 1.

South Atlantic Life: Dr. J. H. Smith, of Empiria, Va., to be superintendent of agencies in Virginia, with headquarters at Richmond.

Standard Fire of Hartford: Earls & Johansing, of Cincinnati, sole agents for Hamilton County, Ohio.

Mr. Henry Carstens, president of the Washington Fire insurance company of Seattle, has returned home after a two months' visit among the company's Eastern representatives, and announces himself as glad to get back to "God's country," where blankets are used for bed clothing and the horses don't have to wear Panamas.

Mr. George A. Howell, vice president of the Commercial Fire of Des Moines, assistant secretary and treasurer of the Hawkeye, and a director in both companies, is to retire and go back to the banking business in southern California. He hopes to regain his health there.

Mr. J. U. Dixon, formerly Albany stamp clerk for the Underwriters' Association of New York State, has been appointed special agent for the Standard Fire of Hartford for New England and the Middle States. Arthur Birchenough is the new stamp clerk at Albany.

Col. Le Gage Pratt, formerly agency superintendent for the Mutual Benefit, and recently general manager of the Puritan Life, has been appointed vice president and general manager of the Compania Nationale de Cuba, a new organization at Havana.

Mr. Walter C. Leach has been appointed agent for the Standard Fire of Hartford at Minneapolis, with John Watson as agent at St. Paul. Lewis Hartz has been given the sole agency for the Standard for Cleveland and Cuyahoga County.

Mr. H. L. Platt has resigned as special agent for the Philadelphia Underwriters for eastern New York, and will be special agent in western Pennsylvania for the National Union Fire, outside of Allegheny County.

Mr. William Hart, who has been a special agent for the American Central in Georgia, South Carolina and Florida, has resigned to go with the Phœnix of London as special agent in Georgia and Florida.

Mr. Milton S. Koblitz has been appointed to be superintendent of agencies for the Bankers Life of New York, the appointment becoming effective July 15. He has of late been with the Pacific Mutual.

Mr. J. E. Bright, special agent of the German of Pittsburgh, has resigned to become special agent for the Commonwealth Fire of New York in Iowa and Missouri.

Mr. John Tyler Waller, of Atlanta, Ga., general agent of the Ætna Accident and Liability Company for Georgia, has been spending the week

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in New York and Hartford in consultation with Ætna officials on the rate situation.

Mr. Carey McPherson, secretary of the Indiana Travelers Accident Association, died of paralysis in Indianapolis July 22.

Mr. W. Irving, Jr., Pacific Coast manager of the Phœnix of London, is visiting the company's principal Washington agents.

Colonel C. G. Yates, secretary of the People's National Fire of Philadelphia, died in that city from apoplexy July 23.

Mr. Hiram Passmore Wasson, a director of the State Life insurance company of Indianapolis, died July 22.

Casualty and Surety Insurance.

Some of the week's **unusual accidents** were as follows: Four men speeding in an auto to the scene of a drowning accident at New Brunswick, N. J., went over an embankment, and one was killed.

A Pittsburgh coal operator while trying to eject his mother-in-law was struck by his wife with a flatiron, and went to the hospital with a fractured skull.

One man was killed and a boy severely injured when an auto plunged down an elevator shaft in a garage in West Fifty-fourth street, New York.

A Bayonne, N. J., man who was bitten by a cat two months ago died Wednesday with hydrophobia.

While returning from a funeral a Lancaster, Pa., girl was thrown out of a carriage and killed.

A dead limb of the tree which a Jewett City, Mass., farmer was chopping down fell and broke the farmer's neck.

A Durham, Conn., farmer fell from a load of hay and broke his back, resulting in his death.

A New York driver fell from his seat while asleep and was fatally injured under the wheels of his own wagon.

While feeding a mouse to a pet rattler a New York man was bitten by the snake.

In a New York restaurant a man shook some pepper into a bowl of soup and then sneezed himself to death.

A Watertown woman while crossing the street in front of her home touched the end of a hanging telephone wire and was killed, the wire being crossed with a high power electric light wire.

A Jersey City party were seriously injured by being thrown out when a rotten trolley pole fell directly in front of the speeding auto.

Meetings of the **liability insurance companies** were held in New York on Wednesday and Thursday, and it was finally determined that, in view of the enactment of the new liability insurance laws, **new policy forms, premium rates and commissions** shall be adopted. The committee of attorneys appointed last month to consider the compulsory features of one of the new laws and report on its constitutionality and scope reported that while its constitutionality is questionable the companies should at present assume that it would be sustained by the courts and act accordingly, and that as to its scope it was impracticable at the present time to furnish a definite opinion. About forty underwriters attended the meeting, over which C. H. Franklin, United States manager for the Frankfort Marine, Accident and Plate Glass, presided, and for which A. Duncan Reid, executive superintendent for the Ocean Accident and Guarantee, acted as secretary. The committee on rates, to go into effect on September 1, was instructed to continue its work. This now consists in the preparation of the schedules, the rates having been decided upon. The task before Secretary Reid has caused him to cancel all his vacation arrangements, as well as those of half a dozen of his men, in order that the schedules may be ready in time. Figures are not available at present, but the increases will be from two to ten times over the present rates. The various companies have agreed to adopt the recommendations of the experts forming the committee, as it would be practically impossible for each company to conduct an independent investigation of the provisions of the new laws.

A bill designed to protect Texas banks from fraudulent **cotton bills of lading** was introduced in the Texas Legislature on Thursday by Representative Moller. It provides that it shall be the duty of common carriers and their officers and agents to issue negotiable bills of lading and straight or non-negotiable bills of lading at the request of the shipper between certain places to be prescribed in the law, defines negotiable or order bills of lading and non-negotiable or straight bills of lading, prescribes the necessary requirements for all bills of lading. It makes all negotiable bills of lading negotiable by indorsement and delivery in the same manner as bills of exchange and promissory notes, and prohibits the placing upon negotiable bills of lading any terms which would in any manner limit their negotiability. The measure provides for the division of bills of lading into such different series as may be appropriate; it prescribes how bills of lading shall be issued and prohibits the issuing of negotiable bills of lading in part or parts except as prescribed by law. The railroads are made responsible for negotiable bills of lading. It may be possible, therefore, if other Southern States enact similar legislation, that the surety companies will not be called upon to provide guarantees for the bills of lading issued by the railroads on cotton shipments. If they are not, a lot of time and labor, not to mention money, will have been spent on the proposition without return. Common honesty on the part of the shippers and railroad agents would have avoided all this uproar about cotton bills of lading.

The **Columbus Casualty** has been given thirty days in which to make good the impairment to its capital or quit business. The Ohio Insurance Department has just completed an examination which shows an impairment of more than $20,000 and a shrinkage in admitted assets of $10,000. The retirement of Manager Charles E. Irwin on July 1 has been followed by his arrest, caused by the company officials, who allege that his accounts with the company are involved. Other companies have raided the field force, and Secretary Galloway, who is trying to put the company on its feet again, is having a strenuous time.

Five representatives of accident insurance companies narrowly **escaped instant death** while on their way to attend the coroner's inquest into the manner of death of Ira G. Rawn, the Chicago railroad president, whose family believes he was shot by a burglar, and whom the police say committed suicide. An auto in which the five were riding was struck by a train at a grade crossing and wrecked. The men escaped with cuts and bruises. At the inquest the widow said that she believed her husband had met death from his own revolver while engaged in a tussle with the housebreaker. The jury's verdict was non-committal on the subject of suicide.

What's in a name? The *Insurance and Commercial Magazine* is inclined to disagree with Madam Juliet about its inconsequence. It magnifies the fact that a man named **Letzkus** has been appointed to grapple with the liability insurance situation at this crisis. It says:

> Is it phonetic spelling? Or has a sense of humor led the Philadelphia Casualty to inject a dash of merriment into the perplexing liability situation by appointing a gentleman named Letzkus to the head of that department of the company.

Cincinnati is to be the headquarters for a new accident and health insurance company, which is to have a capital of

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$3,000,000 and a surplus of $3,000,000, for which articles of incorporation have already been filed. It is to be known as the **General Liability Company of Cincinnati.** W. S. Diggs, A. P. Cornelius, F. S. Spencer, Otto Armleder and Joel Clore, of Cincinnati, are the incorporators. Mr. Diggs, who recently resigned as general agent for the American Surety for Ohio, is to be the active head of the new company.

The **Pennsylvania Casualty Company,** at its meeting of directors Wednesday, advanced Assistant Secretary George F. Coar to the position of secretary made vacant through the resignation of F. H. Kingsbury. The appointment takes effect August 1, at which time Mr. Kingsbury leaves to go with the United States Casualty Company. Mr. Coar was entitled to the promotion on account of his faithful and efficient service.

Because they could not borrow money from the **Great Southern Accident and Fidelity of Atlanta** a number of stockholders have filed suit asking for a receiver for it. They claim it was represented to them by stock salesmen that the company would be a handy thing to borrow from occasionally, whereas the Georgia laws prohibit loans of insurance company funds to stockholders.

A dispatch from New York printed in Chicago gives the information that English underwriters are now willing to **guarantee** to vacationers **that it will not rain** more than two days per week while they are at the coast resorts. For every extra day of rain per week the insured will receive $2.50 or more, according to the premium paid.

The **Surety Underwriters' Association of Minnesota** has been organized and is in working order. Brokers' commissions are limited to 15 per cent., payable only to those holding State licenses. Fitzhugh Burns, of the American Bonding, is president, and Fred C. Bryant, of the Maryland Casualty, is secretary.

Casualty companies are writing liability insurance where necessary to protect contractors, but a telephone rate of $1 per $100 was quoted to a prominent Brooklyn agent on Tuesday in a risk on which **the rate** had heretofore been 10 cents for years, but **raised** a few days since to 25 cents.

The **Commercial Casualty Company of Nashville,** Tenn., of which Hon. Frank Dibrell, comptroller of the treasury of Tennessee, is president and others of prominence are officials, is advertising for stock salesmen to help on the organization of the company.

The entire **plate glass business of the Empire State Casualty** has been reinsured in the New York Plate Glass insurance company, to become effective at noon August 1. The Empire State has also reinsured its sprinkler leakage and steam boiler lines lately.

The accident companies interested in the death of D. G. Rawn, the Chicago railroad president, have **declined payment** of the policies involved, and have thrown on the claimants the burden of proof that the manner of death was accidental and not suicidal.

The **New Jersey Plate Glass insurance company,** having increased its capital from $200,000 to $300,000. will change its name to New Jersey Fidelity and Plate Glass, and will write accident insurance as well as fidelity and surety lines.

The corporate powers of the **Home Accident of Arkansas** have been increased so as to permit the writing of life business in connection with its accident and other lines.

The **Lion Bonding and Surety Company** of Omaha will add liability and accident lines as soon as a capable man for these departments can be found.

Obituary.

Death of Insurance Superintendent Drake, of the District of Columbia.

Thomas Edmiston Drake, Superintendent of Insurance of the District of Columbia, died at Providence Hospital, Washington, on Sunday evening, after an illness of less than a month from nervous breakdown, due to overwork. Sick leave was granted by the District Commissioners to Mr. Drake on July 1, and Mr. Daniel Curry, the examiner of the department, was placed in temporary charge.

Superintendent Drake was born near Waldo, Marion County, Ohio, July 22, 1852, and after his education in private and public schools, and some work as a teacher, began his business career in an insurance office at Cincinnati, and in the course of a few years became a partner in the firm with which he was associated. At the age of twenty-five years he succeeded to the entire business, which embraced the territory of several States for one of the oldest and largest New England life insurance companies.

Later Mr. Drake removed to Chicago, where he was engaged in business in which insurance was a part for several years. In 1904 he accepted an offer to become deputy superintendent in the Ohio Insurance Department, and removed to Columbus. He had written much on insurance, and his good work in the Ohio Department had given him a wide reputation, so that when the Insurance Department at the seat of the National Government was established he was sought for its head and organizer.

Mr. Drake was an indefatigable worker, and while incumbent of the Washington office initiated or took part in many official insurance transactions, national as well as local in their scope. He was President Roosevelt's right hand man in insurance matters, and by his direction called the conference of governors, attorneys general and insurance commissioners which was held in Chicago in February, 1906, for the purpose of formulating uniform life insurance laws for all the States. He was the preliminary chairman of the conference, and a member of the Committee of Fifteen which was appointed to prepare uniform bills. He was commissioned by President Roosevelt to represent him at the four subsequent meetings that were held by the committee, and on his report to the President the latter issued his special message to Congress recommending the measures which Mr. Drake had advised. He was in constant touch while in office with members of Congress upon all matters pertaining to insurance.

Superintendent Drake was prominent in the councils of the National Convention of Insurance Commissioners, at the annual meetings of which he was a constant attendant, and on many of whose committees he served.

Personally, he was one of the most genial and lovable of men. He is survived by his widow and two daughters.

The chairman of the Commissioners of the District of Columbia, in writing to the Washington *Star,* pays the following tribute to Mr. Drake, for whose appointment to the superindentship he was glad to have been chiefly responsible:

He gave up the second office in the Ohio Department of Insurance and came here, chiefly because of the larger opportunity for service and usefulness. The salaries of the two offices were nominally the same, but Congress at first appropriated less than the statutory salary, which, however, was afterward given to Mr.

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Drake. He had a laudable ambition to make a record as the organizer of the first insurance department at the national capital, and to make its example and influence felt throughout the country, as he did. He had a right to expect that, if successful, he would add to his reputation, and he did so. With adequate means, with a very imperfect law, with his work in arrears, by reason of the requirements of the law before the office was created, and against bitter opposition of powerful interests and individuals, he did his work well, with honesty, ability and courage that amounted to heroism. He gained national recognition. He was foremost in the effort for a national insurance law. The commissioners had asked him to draft a law for the District of Columbia which would have been a model for the country, and he won in his battles with unworthy insurance companies and individuals, often against great political influence as well.

I am thankful to remember that I supported him throughout these battles. Unquestionably his health was broken by his arduous night and day labors, and he was as truly a martyr to duty as if he had died on the battlefield.

HENRY B. F. MACFARLAND.

Insurance Legislation.

Texas.

The following is the text of Governor Campbell's message to the Legislature recommending a revision of the laws in relation to the fire insurance business in the State:

To the Senate and House of Representatives:

In response to a popular demand, and in obedience to what appeared to be a general desire of the insuring public, this Legislature, at its first called session, enacted and the Executive approved the law contained in Chapter 18 of the general laws of the thirty-first Legislature, and known as the fire rating law.

At the time of the enactment of this law and for many years prior thereto there was a widespread and a well founded dissatisfaction with general fire insurance conditions, and especially was there dissatisfaction with respect to the fire insurance premium rates, and the people were ready to welcome almost any proposed remedy for the evils and inequalities obtaining. It was a matter of common knowledge that the small property owners were uniformly required to pay higher rates of insurance than their more fortunate neighbors with large holdings. Under conditions then existing the fire insurance premium rates were unfair, inequitable and affected adversely a majority of the individuals composing the insurance public.

The assurances of benefits to accrue to the people under the law as proposed and enacted won for it in advance almost universal approval. It had for its object regulation and control of fire insurance premium rates, prevention of so much fire waste, and not only a reduction of fire insurance premium charges but a more equitable adjustment of fire insurance rates applying on property covered by insurance in Texas. The unusual fire waste in the State, together with the inequitable and unequal premium rates charged by the fire insurance companies, created the demand for legislative action, and while the action taken is believed to be a move in the right direction, and while regulation of fire insurance companies and of fire insurance rates is believed to be sound in principle. still the law as framed and as attempted to be applied under technical construction has been a disappointment to its friends and to the insuring public.

That it is defective and inadequate and that it is insufficient to meet and correct the acknowledged evils all will now admit. That a law under which existing conditions are possible should not stand, but should be repealed, is a proposition that cannot be successfully combated.

Some of the defects of the act were apparent at the time of its approval by the Executive, but inasmuch as it carried with it a discretion to be exercised in its indorsement by the officers charged with the duty, and indulging the hope and belief that such discretion would be employed in the interests of the people and with fairness to the companies, and having every confidence that such discretion would always be exercised in an effort to give full force and effect to the manifest intention of the Legislature, and believing that a fair test of the principle involved could be and would be made, I approved it, and undertook to provide relief to the people under its provisions.

It was believed that the principle of State regulation and control of fire insurance premium rates was practicable under just regulation laws, and that the State should not hesitate to assume and discharge that duty. It was also believed that the law as passed, although defective in many important essentials, would by a practical administration vindicate the wisdom of entering this new field of corporation regulation. The people were, and are, entitled to a fair test of the principle under an effective and comprehensive law. It was inconceivable at the time of the enactment of the law that the legislative intention would be so warped by tortured and technical construction as to furnish the insurance companies an opportunity to levy additional tribute and oppress the people.

The fact remains, however, that the insurance companies are attempting to avail themselves of their surprising opportunity, and are proceeding along lines which will necessarily result in a loss to the insuring public of hundreds of thousands of dollars per annum.

The law which was intended to secure reasonable and fair premium rates under regulations fair and just to all has been given an interpretation by the insurance companies which was never intended. Corporate greed again asserts itself, and a combination of circumstances with which the public is familiar have brought about the intolerable situation which demands legislative action. Conditions have arisen which demonstrate the inadequacy of the law as framed, and as an effort to amend the law might result in further complications and difficulties, the following procedure is respectfully recommended:

1. The passage of a bill repealing the law referred to outright.
2. The enactment of an adequate law to prevent combination by the insurance companies to destroy competition in fire insurance rates in Texas; providing appropriate penalties therefor and providing means for the enforcement of same.
3. The enactment of a law regulating and controlling fire insurance companies doing business in this State, and the regulation and control of fire insurance premium rates, to establish and fix rates and to effectively prevent the use of what is known as the "key rates," recently promulgated by the fire insurance companies. Such law as may be enacted should provide proper penalties for all violations of the law and embrace ample provisions for the enforcement thereof.
4. The enactment of a law prescribing the conditions under which fire insurance companies chartered under the laws of other States may secure permits to do business in Texas, and providing that such companies shall show, by appropriate proof and in manner and form to be prescribed by the law, that the company has never at any time undertaken to dominate legislation by threats to withdraw from this State or ceased to do business in Texas on account of any law enacted by a legislature of Texas.

Fire insurance companies and other corporations undertaking to dominate legislation by threats to withdraw from the State and companies that actually withdraw from the State or cease to do business in the State for such reasons, should not be permitted to re-enter the State on any condition, and adequate laws in this respect are respectfully recommended.

There are other important subjects that will be presented for the attention and consideration of the Legislature at an early date. * *

After the reading of the Governor's message in the House the following resolution was adopted after some opposition:

Whereas, The question of fire insurance is one of special importance to the people of this State, and that the members of the House desire to be fully advised as to all matters pertaining thereto, therefore be it

Resolved, That the Insurance Committee be provided with a stenographer by the House, whose duty it shall be to make a full, complete and correct stenographic report of all proceedings before said committee on the question of fire insurance, including all testimony, data and facts produced before said committee, and that same be published daily in the Journal or in pamphlet form.

AUSTIN, July 26.—Senate Bill No. 4, introduced today by Senators Hudspeth, Bradfield and Willacy, regulates the issuance of licenses to fire insurance companies, creates a fire rating board and provides for the revocation of licenses of insurance companies which violate the orders of the board. The bill was referred to the Insurance Committee.

AUSTIN, July 28.—House Bill No. 7, introduced today by Mr. Baker and others, to enact a law regulating fire insurance companies, provides for the creation of a fire insurance rating board and for the government of its operations. The bill does not contain the provision of the Senate bill debarring companies forever from the State which withdraw or threaten to withdraw on account of inimical legislation.

House Bill No. 8, by Mr. Terrell, introduced today, provides for the regulation of fire insurance companies and the

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creation of a State fire rating board. It requires the companies to keep in force their present schedules with their reductions until the new tariffs go into effect. The bill also provides that all printed portions of the policy shall be written in the same size type.

Miscellany.

Detroit Conference of Industrial and Health Accident Underwriters.

The annual convention of the Detroit Conference was held at the Grand Hotel, Mackinac Island, Mich., on Wednesday, Thursday and Friday, of this week.

President Louis H. Fibel, president of the Great Eastern Casualty Company, occupied the chair, and there was a good attendance of members and others interested in health and accident insurance.

ADDRESS OF PRESIDENT FIBEL,

The president delivered his address, in the course of which he said:

The roll continues to swell and lengthen, not so rapidly as last year, simply because there are not so many possible members left outside the fold. Defections there have been none, except in case of re-insurance.

The contract recommended in New York in March, 1907, is still practically the Standard Policy of nearly all our largest and strongest companies.

In some few instances, I note, with sincere regret, a disposition to make slight changes. In themselves they are insignificant, but the spirit is most deplorable. A single loosened thread in a great garment is in itself of little moment; but in the stress of wear and tear that one thread forms the rift in which the talons of disruption find a lodgment and the end is wreck. Under our policy, which I am proud to have fathered and fostered, we have done well; business has multiplied, clients have been satisfied and we have made a fair underwriting profit. The margin is now none too great for security. Expenses are necessarily increasing with the trend of the times. Epidemics will come, as they have come; the first quarter of this year, with its trying weather, brought us an unusual loss ratio. Panics and business depressions will recur, bringing in their train shrinkage in premiums, inevitable increase in expense ratio and an equally certain expansion in the moral hazard element of our claims. We should aim to strengthen our treasuries and establish them on a basis to weather any possible contingencies, and you surely must realize the folly of rushing to enlarge the scope of our liability because you are enjoying a present prosperity.

Your last convention adopted my suggestion and appointed a permanent "Conference Committee," to consist always of the president and the chairman of the executive committee, to act in concert with fellow organizations concerning proposed legislation affecting us. As chairman of that committee, I have the honor to report that we have attended a number of meetings of various insurance bodies and of the Insurance Commissioners. We have taken an active part in the conferences which developed the code of "Standard Provisions and Prohibitions for Accident and Health Insurance Policies," which was unanimously adopted by the Insurance Commissioners at their last convention at Colorado Springs, which we attended as your representatives. While we deplore any State interference with our freedom to contract, we believe this bill, which we helped draft, is as little objectionable as any we could hope for. The commissioners agreed to introduce it intact in their Legislatures, so that we might expect uniform conditions in every State, and this is one great desideratum. A number have already done so, and this year, when almost all the law making bodies convene, the rest will follow. When an attempt was made to modify this standard bill, notably in New York, we fought it bitterly, making several appearances at Albany and appealing direct to the Legislature. We prevailed there as we did, after a great struggle, in Massachusetts, where a department bill was introduced which, if enacted, would have entailed great hardships upon a number of our members.

A movement has developed to establish a permanent bureau under a competent head, such as the life insurance companies have found invaluable for several years, to keep track of proposed legislation and defend the interests of our constituents wherever they may be menaced. This bureau would benefit us all alike, and we should all contribute to its support. Many have already enrolled, but more are needed, and I ask you every one, as a duty to yourselves as well as to each other, to bear your share. Members of all three organizations are joining hands in this work. Some of them have spent hundreds, some even thousands, every year, beside giving very valuable time. This is unfair; we all participate in the benefits, we should all share the burden. * * *

THE BUREAU.

After several years' work of one of your ablest and most earnest committees, a bureau has been established for reporting to a central headquarters all agents who have, for any reason, ceased to represent any company. A member negotiating with an agent can refer to this bureau and ascertain if the company he had been with previously knew anything to his detriment.

While this method is not ideal, inasmuch as the records are kept in a central station, instead in each company's office, it is, nevertheless, a great step in advance and will go far toward protecting us against dishonesty.

Gentlemen, I realize more and more every year, that this is one of our great and pressing problems. Agents can, and continually do, go with one company, collect premiums and never even pretend to turn over a cent. Then they go to another and repeat the performance. I know of one instance where it was done five times. Our position is very unsatisfactory, in that the laws of very few States will allow us to convict of larceny or embezzlement under such circumstances, and if the laws will permit it the courts and the juries will not convict. We recognize that an accusation of crime, followed by an acquittal, leaves us in a very delicate position. So it behooves us to stand together in protecting each other against these crooks. We should all report to this bureau, and sustain it loyally, until after a time we can see our way to enlarge its scope.

SELFISHNESS OF INACTIVITY.

My friends, as the one man who has thrice received at your hands the highest honor you have to bestow, it would ill become me to be captious or fault-finding; but in duty to my successor, it seems incumbent on me now to point out to you, in the friendliest spirit, that many of you are failing in your duty to the conference and to each other. Your officers, and a few other earnest spirits, are bearing the brunt of the whole year's work, traveling all over the United States, spending large sums of money and giving week after week of valuable time. You, one and all, share in the beneficial results of this labor, but many of you will not turn a hand to help, will not even join a concerted movement, after your leaders have planned it and done all the work, and will not even furnish any data or information. To be specific, I can refer to the agency bureau, the committee on classification and new manual, and the bureau for legislative work. I wonder if you realize the selfishness of your inactivity? If you do, I am confident the presidential address of 1911 will have no occasion to refer to this subject.

Special reports by committees and reports by the secretary and treasurer were read, and all showed an improved condition of the association and its affairs.

The contents of the "question box" were read and discussed.

Papers were read by H. B. Hawley, president of the Great Western Accident Company, on "The Ethics of Our Profession," and by R. Perry Shorts on "Litigation Under the Exception Clause of Industrial, Accident and Health Policies."

MR. HATCH ON THE ETHICS OF BUSINESS GETTING.

Mr. George W. Hatch, editor of the *Insurance Age*, of New York, delivered a forceful address entitled "The Ethics of Business Getting." The following are extracts:

Taking up the practical points, and considering what you as companies owe to the world at large, I conceive that the duty is laid upon you to push your business (so far as may be without interfering with the rights of other companies), because it is a public benefaction. We may regard as settled, without any need for argument, that your dealings with the public should be fair and honorable. Never fear but that the law will compel you to this, and sometimes to even more, if your own ideas of justice go astray. What I mean here is quite another thing. The benefits of the sort of insurance you offer being admitted, it is a part of the ethics of your business to proclaim it as a sort of gospel to all the world, and to continue to proclaim it until the uttermost parts of the earth have heard it. Some of you have grown per-

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sonally prosperous and even rich in your business. This should be a cause of rejoicing, but it does not relieve you of the duty which you owe to society and the State. "Thou shalt not" is a command which must be heeded, but it is not stronger or more binding than "Thou shalt!" Viewing the matter from the strict standpoint of ethics, there are other reasons than mere money making for yourselves or your companies why you should enlarge your operations so far as possible.

The injunction pronounced to the first man and woman to be fruitful and replenish the earth imposed no weightier obligation on them than your privilege and opportunity have placed upon you, as men and companies in a position to distribute a little more evenly the burdens of humanity. Your organization is a junior in years and in apparent importance to the other great body of casualty underwriters. But while I wish to make no invidious comparisons, and grand and useful as is the work of the companies writing commercial business, it seems to me that the keen flashing vision of prophecy may discern for you in the dim vista of the future the most magnificent history making which is possible to any kind of insurance. For while commercial insurance with its undisputed benefits can reach thousands or hundreds of thousands, your field is the great world with its teeming millions ready to be taught how to help themselves. I walk forth upon the streets in New York, or Chicago, or Philadelphia, and I see a comparatively small percentage of our population able to pay at any one time the premium on a commercial policy.

But I take a glimpse into the suburbs, or even the centres of these gatherings of people, and looking within the walls of their huge factories, or other industrial institutions, where anvils ring, where the wheels are whirring, where machinery is clanging and the sparks are flying, and I think of the homes represented by the blue smock, and the faces begrimed by labor, and it is *there* that I see the real need and possibility of insurance. We ought to put off for a time our fine official uniforms and don the fatigue dress of the private to get in touch with the great, throbbing innermost heart of the world.

Of course it is capital which keeps this machinery at work, and it is your energy, ingenuity and cleverness which make possible the insurance of the toiling millions. But let it not be forgotten that the millions are there, that they are increasing almost in geometrical progression; and that though competition seems to be strong among you merely because it is easiest to follow the line of least resistance and seek the business nearest at hand, your fifty or sixty companies have scarcely brushed aside the leaves to see the luscious rewards hang plenteously from the boughs of this fruitful tree. So, gentlemen of this association, splendidly as you have begun the work, I think you ought to understand that

THE WORLD HAS A CLAIM UPON YOU,

that its problems are your problems, and that you should face the future with courage and manliness, and no thought of passing away and leaving what is dark still darker in the destiny of the race, but bequeathing to those you leave behind a generous and noble impulse to carry forward, as the years march on, the tasks so finely planned, and which it may not have been given to you in full measure to execute. I beg you will excuse me if I have dwelt too long on this phase of the subject, and that you will believe that it is because the gigantic interests here involved and your relation to them are very much in my thoughts and very close to my heart. We are all apt to speak overmuch of that which deeply interests us. Outside of health and accident insurance as a mere occupation, or profession, or a business which may lead to glory, or prominence, or riches, does not duty demand that you lay its foundations broad and deep, and with such earnestness and vigor that the mysterious bosom of the future may open its magnificent benefits to all the world?

In entering upon the second part of this fruitful theme—the relations of companies and managers to one another—I am aware that I approach a delicate topic—probably even tread on dangerous ground. It may be safely laid down as a general principle that there can be no society without a predominating measure of truth and good faith. All the axioms of the law have veracity and justice for their basis. We shrink in abhorrence from any code of ethics which does not contemplate these qualities as their foundation principle. Probably it was because of the fundamental necessity of truth as the bedrock of society that while of the ten commandments there are two directed against lying, there is only one injunction against profane swearing, and that is merely a corollary of one of the others. And yet so strong is the tendency to selfishness and self seeking, so overwhelming is the desire to build up our own interests, even at the expense of others, that I defy you to name a single branch of business in the world that has not in it some fraud, some lying—nay, even some theft—in a direct or an indirect form. I mention lying in connection with theft because I consider a liar a first cousin if not a twin brother to a thief. As a matter of fact, it is a grave matter of doubt with me which is the more detestable villain—that upright thing in the form of a man who boldly announces that he is about to attack you for the purpose of taking away your possessions and perhaps your life, or that crawling reptile who insidiously or under the cover of darkness or secrecy utters the word which may take from you that which is dearer than life. I am not looking about for material for Ananias clubs, nor do I believe that every doubt and sneer should be blazoned abroad as though they were intended maliciously or malignantly. But as a great general proposition there must be an

ADHERENCE TO GOOD FAITH

in your business. Do I believe that integrity and loyalty prevail when agreements are made among associations of men? Most emphatically, yes! Do I believe that there are exceptions to this rule, even in your business? Again I answer most emphatically, yes! I do not go through the world with my eyes and ears closed, and I know whereof I speak. I should be glad to think of every man as treading a straight path, edged by fragrant flowers, leading through beautiful gardens, cooled and beautified by running brooks, shaded by protecting trees, and made resonant and delicious by melodious songs of birds. But at times we have, alas, the reverse picture, with crawling creatures making their way through miasmatic swamps, breathing forth noxious and deadly vapors. I would not have it understood that whatever lapses there may be in the ethics of business are confined to this or any kind of insurance. It is such associations as this which, when their compacts are lived up to, when the sanctions laid upon you by courtesy and decency are observed, ought to be singularly free from the unfortunate complications which arise in the operations of general trade. And strong as your agreements may be, and manfully as you may purpose to live up to them, you cannot expect to escape an occasional invasion by these difficulties. In his essay on "Man the Reformer" Emerson says that "the trail of the serpent reaches into all the lucrative professions and practices of man. Each has its own wrongs. Each finds a tender and very intelligent conscience a disqualification for success. Each requires of the practitioner a certain shutting of the eyes, a certain dapperness and compliance, an acceptance of customs, a sequestration from the sentiments of generosity and love, a compromise of private opinion and lofty integrity. Nay, the evil custom reaches into the whole institution of property, until our laws which establish and protect it seem not to be the issue of sober reason but of selfishness." * *

SUMMING UP.

The whole matter, while it is of the utmost importance that every company should push its business and thus spread the benefits of insurance throughout the industrial world, it is of infinitely more consequence that high ideals of integrity and opinion should prevail. The man who makes the most of his opportunities, who maintains lofty conceptions of the word "ought," that word which is perhaps filled with greater potentiality than any other in the languages of the earth, has done his full duty whether he succeeds in making of himself a monument to be placed upon a pedestal or a lump of clay to fill in a niche. Not every one can be a Napoleon, and though in material accomplishment he was perhaps the greatest man that ever lived, few who realize the true character of him whom Pitt called "that splendid prodigy," would wish to emulate his methods. His grandest victories were turned into defeat at the last because the man knew not the meaning of right living. He loved success for his own sake and for his own glory, and while he seemed at times to be conferring millions on France, he left it at last no better than he found it. Victor Hugo says that the loss of the Battle of Waterloo was caused by the act of God. In its final analysis this statement is true, because no government, no victory, no state, no business, can be permanently successful that is not built on a proper regard for the rights of others—which has not at heart the broad and generous consideration of the welfare of mankind.

As an association of business men you ought to be thankful that your organization has accomplished so much. It is only by knowing one another better, through a steadfast determination to open your minds to a true contemplation of what the ethics of your vocation really mean, that you can make it still more useful to yourselves and the community. Among many utterances which were impure and doubtful Alexander Pope stated a great truth, ably and well, when he said "The proper study of mankind is man." Many of our failures to come up to the true standards of life are due to ignorance of ourselves or of our fellow men,, and the difficulty of comprehending one another in a better understanding of character and motive.

While we are reading Virgil, Homer or Horace we think

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that we know all that there is to be known of night and morning. But when we behold with our own eyes the pink shades of the early dawn, the forerunner of another period of light and gladness, and watch it flash into the brilliancy of noon; when we observe the fading spectres of the evening and see the twilight blushing away into the dusk, and finally into the starlit night—then we know that it is given to us to witness a new miracle—nay, a score of miracles every day.

When we have laid down a volume of some master like Hugo, Thackeray, or Eliot, we think we have run the gamut of human nature, and that there is nothing more to learn. But when we encounter our fellow men in daily life, when we are reminded of the strange confluence of events which has brought us to them and them to us, when we have speech and dealings with them and note the countless shades which differentiate one from another in their methods of thought and reasoning—then we realize that no life is long enough to scale the heights or sound the depths which may be locked up in a single human breast.

In an address, delivered at Niagara Falls last year, a speaker mentioned the fact that one school of writers believed that the world has been growing better within the past few years, while others oppose this doctrine with equal vigor. The speaker added that he himself did not care which of these schools was correct. Gentlemen, I believe that both you and I can sincerely say that we care very much that the world should grow better. It is a monstrous thought to me that any one should doubt the eventual prevalence and predominance of good in the human race. Your branch of insurance can and will have its part in consummating this result toward which every normal mind should look with hope and confidence. Take away from our earth the mountain, the valley, the river and the lake, and naught is left but a monotonous and barren plain. I predict that twenty years hence it shall be said, take from the laboring man his chance for humble self-protection through your companies, and you reduce him again to the hopeless level of desolation which has threatened riot, revolution and social destruction since history began.

During the second day's proceedings papers were read by W. Irving Mullen, chief adjuster of the General Accident Corporation, on "Claim Adjustments as Relates to Contracts and Agents," and by E. O. Howells, editor of the *Industrial Review*, on "Factory Insurance—The Remedy."

A STIMULANT WANTED.

Mr. Charles M. Adams, agency manager of the Massachusetts Accident Association, read a paper entitled "Wanted—A Stimulant." After discoursing on the necessity of stimulation to accomplish enterprise and quoting from the world's history to illustrate that truth Mr. Adams, continuing, said:

It appears to be an immutable law that to attain anything worth the while there must be some sacrifice; that some equivalent must be given in exchange for what is received.

The lives of strong men have left the stamp of their characters upon the pages of time, and the story of their lives that proves that to perform any noteworthy act or achieve any great success one must be stimulated with an earnest desire for its successful accomplishment.

This is an age of rapid progress. Yesterday we were satisfied to travel by stage coach or sailing vessel. Today the "mile a minute" locomotive and the onrushing steamship does not furnish the desired speed, and the conquest of the air is attempted in the hope of finding a means of more rapid transportation. The million dollar business must supplant the satisfactory business of a few thousands of a few years ago, and every effort is being made to stimulate the producing end of the business with this thought in view. Probably not more than one-third of the number of salesmen in any line of business are attaining the best results of which they are capable. This is especially true of insurance salesmen. It is also true that the successful insurance agents are enjoying an income from their labors equal to that of the average merchant, but unlike the merchant they require no investment of capital and assume no risk of financial loss.

Two-thirds of the number of agents engaged in soliciting insurance are not producing the results of which they are capable, although every effort is being made to stimulate and assist them in their work. Insurance journals by the score are published and contain valuable articles and notes on insurance matters, which have been carefully prepared by trained minds and able insurance journalists. If these were carefully read they would be an inspiration to anyone interested in insurance work. Nearly every insurance company issues a monthly paper to its field men. Items of special interest are noted and discussed. Articles are written by successful agents, and every phase of the business is carefully considered and commented upon, and there is an endeavor to impart to others a knowledge of the methods and means used in securing a satisfactory amount of new business. The company's paper gives the names of the best producers and collectors for each month. Prizes are offered as a special inducement to agents to secure a steady and uniform amount of new business. Yearly conventions of the field men are held in order that they may have an opportunity to meet each other and exchange experiences and gather inspiration and encouragement from those who have demonstrated their ability as successful insurance solicitors. Agents are furnished with attractive literature setting forth the value and necessity of insurance and furnishing indisputable arguments and facts. Every effort is being made to assist the agent in attaining a reasonable percentage of effectiveness.

The financial condition of the various companies furnishes indisputable evidence of their ability to meet any claim liability that may occur. The testimony of thousands of satisfied claimants proves their honesty and fair dealing with policyholders. The provisions of their policies have been liberalized until a safe and sane limit has been reached. The companies' offices are equipped with the most modern appliances and the business is handled with accuracy and dispatch by experienced assistants and employees. The machinery of the home office plant is in first class order to handle a large increase of business with but little additional expense. Seventy-five per cent. of the insurable risks are without accident insurance.

If our premises are correct something is needed to stimulate the spasmodic and erratic solicitor in making an effort to secure a steady and satisfactory amount of new business.

A foreign visitor to our shores attempted on his return home to concoct a beverage that had delighted him. He was unsuccessful—it required the brain and skill of an artist.

The preparation of a proper stimulant to fit a special condition is a task not to be delegated to an amateur. It is fair to presume that the delegates to the Detroit Conference are professionals of the highest type, and that their combined wisdom will solve all the vexatious problems of the insurance business and find the needed stimulant.

At the third day's meeting of the conference officers were to be elected. The conference was in session when this week's paper was ready for the press.

State Insurance in Great Britain—A Difficult Problem.

(*The Chronicle, Montreal.*)

In the British House of Commons, two or three weeks ago, Mr. Asquith announced that the British Government's bill to enact State insurance against sickness and invalidity had been prepared, but that he feared that in the circumstances of the present session it would not be possible to introduce it this year. This is the second delay to which the bill has been subjected, since the original proposal was that it should be introduced in the fall of last year.

The British Government set out upon the problem of State insurance in the same light-hearted fashion that it tackled the question of old age pensions. In the latter instance, it will be remembered, the Government passed its bill first and began to look into the question afterwards—Mr. Lloyd George taking a special trip to Germany for the purpose—with the consequence that in the first year of their being in force, old age pensions cost 8½ millions sterling instead of the 5 millions sterling which had been estimated. Whether by luck or judgment, however, the British Government has been saved in this matter of State insurance against invalidity and sickness from such a blunder. It has, indeed, happily, been afforded so considerable a time to study the problem that those who are wrestling with it are really beginning to appreciate the fact that the issues at stake are almost of bewildering complexity.

The Chancellor of the Exchequer has already had to confess that the actuarial difficulties of this problem are greater than he had anticipated, but these mathematical conundrums are not the only ones calling for solution before the way for the bill is made plain. There is, for instance, the conciliation to be undertaken and the support to be won of the great British Friendly Societies—numerically strong, financially, wealthy, and politically, so far as this government measure is now concerned, suspicious.

From the time when this matter of State insurance against sickness and invalidity was first broached in England, the Friendly Societies have taken up the attitude which in virtue of their activities, position and accumulated wealth, they were legiti-

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mately entitled to take, viz.: that no scheme of this kind should be pushed through Parliament without their being consulted. So effective was their attitude in regard to this indeed, that only last year Ministers of the Crown were anxiously declaring to them that the interests of the Friendly Societies would be carefully safeguarded in any scheme of State insurance, and subsequently there were long consultations between Mr. Lloyd George and the representatives of the Friendly Societies, only ceasing at a time when further progress could not well be made until actuarial investigations had taken place—and then with the promise that before any scheme was laid before Parliament the various Friendly Societies should have an opportunity of considering the details.

Somehow or other up to the present Mr. Lloyd George has not made enough headway with his problem to take the Friendly Societies again into his confidence, and with the long wait the Friendly Societies are getting restless. Moreover, they have just heard it officially declared that if the Government carry out their intention of developing a system of State insurance, hand in hand with the Friendly Societies, it will only apply to those institutions which are "approved." That word "approved" to the Friendly Societies seems rather ominous.

The result of it all is that the members of the Friendly Societies' conference are being petitoned not to give the stamp of approval to any government scheme which does not preserve the individuality of present day organizations. That stipulation, in the opinion of leading Friendly Society men, is almost enough to stifle any government proposal at its inception.

When Mr. Lloyd George, Chancellor of the Exchequer, and Mr. Winston Churchill, president of the Board of Trade, gaily set out on the solution of this problem, it was thought that a short act, making it compulsory for employee, employer and the State to contribute an equal sum towards State insurance would do it. That is still the basis of the proposal, but the process of giving effect to it, while securing the co-operation both of Friendly Societies and of trades unions, bristles with difficulties.

Through the Company's Eye.

(Preferred Accident Company's "Indemnity.")

Sometimes disease and death by accident stalk openly, but more often they are hushed up by the quietude of the sick room of the hospital wards. There is a constant succession of accidents going on of which the public does not hear. The writer had occasion recently to visit a sick friend in one of the large hospitals. The place was filled with the odor of iodoform, and plaster casts, instruments of surgery, doctors and nurses passing to and fro, were a constant reminder of the fractures and bruises which come in a never ceasing procession as surely as day follows night. Let the man who thinks there is no need of accident insurance visit one of these great caravanseries for the sick and injured.

(Fidelity Mutual Life Monthly Bulletin.)

Did you ever notice how much vital energy some agents spend in "fighting" competition? It gets to be sort of a hobby with them They see an Indian in every bush. A prospect casually mentions some other company, and right away Mr. Agent stops talking policy and trains his guns on that company. He must annihilate the enemy before be can go ahead. The man may have no notion of insuring in the other company, but Mr. Agent sees competition in the very suggestion. The trouble is, his bump of combativeness is more pronounced than his bump of salesmanship. Your real salesman would not be disconcerted by the mention of another company; he would politely sidestep and proceed with his story. You don't find him engaging in wordy warfare about this company or that. He centres his fire on the merit in the goods he is offering, and if there is going to be a sale, that's where it must hinge. You have no doubt known men who could sail along for years, meet all kinds of people, accomplish great results, and yet never have the slightest difficulty, while other men in the same line would be in trouble all the time. So it is with some agents, they seem to have a kind of magnet that attracts competition. To be sure, there are a number of companies in the field, and naturally there will be some real competition. A good deal of it, however, could be avoided by holding to the main issue and selling the goods on their merits. The glory of winning a case over which there has been a stiff fight is fine to contemplate, but in the long run isn't it pretty expensive glory? Is the game really worth the candle? It isn't our habit to run away from anybody, but we would advise you always to weigh competition on a cold dollars-and-cents basis. If you stand to win the case, stay and see it through; if you have only one chance in six, turn your energy where it will bring you surer return. When you find a prospect investigating five or six companies, just refer the case to a few more that he may have overlooked, and then go hunt up some real business. You'll write a dozen cases while your competitors are fighting that one out just to satisfy their pride.

(Metropolitan Life Intelligencer.)

"I like this 'paid for' idea. It is businesslike. It brings out the truth as to what has really been accomplished. It prevents us all from taking undue satisfaction from business which, though issued, may never be placed, and which is therefore utterly useless, so far as permanent good to our records is concerned. I have it pretty firmly fixed in my mind, however, that the way to reach the goal in 'paid for' business is to write more business. Something can be accomplished by urging the prompt placing of the policies after they are issued, and more yet by the use of the binding receipts. But these two factors alone will not accomplish the desired object where the shortage on a 'paid for' basis is of any considerable amount. What is needed is a larger number of applications."—*Extract from an Agent's Letter.*

(National Casualty Agents' Record.)

It seems almost unnecessary to enter into a discussion of just what the present day accident insurance covers. Yet there have been innumerable court decisions which seem to confuse the ordinary reader, and obscure his idea of what may be called an accident. Before the birth of the accident policy, an accident was a thing pretty well understood apparently, and seemed to be confined to such everyday occurrences as explosions, wrecks and things of similar character. In its most commonly accepted meaning, the word "accident" denotes an event that takes place without one's foresight or expectation; an event which proceeds from an unknown cause, or is an unusual effect of a known cause, and therefore not expected. Nobody in the early days of accident insurance ever looked upon suicide or being hanged by a mob as an accident. Such affairs were considered as the designed and expected result of a human agency, and hardly to be classed as accidents. But as time went on and these various happenings were brought before the courts under accident policies, the judicial mind seems to have gradually enlarged the meaning of the term "accident," until today it includes happenings far beyond the scope of the most exaggerated fancy of the originator of this line of insurance. But side by side with this enlargement of the scope of the term "accident" by the legal writers, there has grown up what may be called a well defined classification of the injuries that are insured against under the present day accident policies. It can readily be seen that no company can afford to pay for every possible injury that can occur, as the risk would be too great and the premiums, therefore, necessarily too large to be within the reach of the ordinary individual with a moderate income. There must be some boundary line to limit the risks insured against, and to render possible the fixing of a definite, but moderate premium to cover losses. Accordingly, we find that the accident policy of the present day covers only those injuries which occur through "external, violent and accidental means." These words establish a definite class of injuries easily understood by both parties to the contract. The adjectives, "external, violent and accidental," define the "means" or the instrumentality by which the injuries are inflicted, and not the "injuries" themselves, and only injuries which are produced by these means are insured against. Under such a classification, therefore, it is not essential that the injury, but only the means which cause the injury, should be external and accidental. For example, the courts have held that where the death of the insured was caused by the accidental lodging of a piece of meat in the windpipe, it was caused by external violent and accidental means, although the actual injury itself was internal. But in the case of the man who, while stooping over in the act of putting on his shoes, was injured by the displacement of the colon or large intestine, causing an obstruction of the intestine, which resulted in his death, there was no external and violent means employed in the causing of the injury, and his death, therefore, was not covered by an accident insurance policy. The essential idea, therefore, in determining whether a given injury is covered by the policy is whether or not the cause of the injury was external, violent and accidental. If these conditions are present in the cause, then the injury is covered by the policy. Bearing in mind this simple fact will enable one to readily determine the validity of many claims for injuries, and to enlighten

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a few claimants on the reasons why their injuries are not covered by their policy.

How Would You Answer These Objections?

(Hartford Life Office and Field.)

1. I will take this application and these papers home and look them over, and then I'll see you.
2. I will see you again after I talk with my wife this evening or tomorrow.
3. I wouldn't be examined now anyhow, for I've been half sick—have had some stomach trouble and headaches. I want to pass a good examination.
4. Another agent, a good fellow here in town, has been talking to me, and I want to see him before I do anything.
5. I never did and never will give my note for anything, and cannot pay cash. So, I'll just wait.
6. My brother carries two or three Old Line policies, and I want to see what he has and what he says about my taking out a policy.
7. In our business, we are liable to be laid off or discharged any day, and I am afraid to try to handle it.

At first sight, the objections look easy, but to give the right answers that are effective, is not very easy for most insurance salesmen.—*Contributed by J. N. Engle.*

(Michigan State Life Enthusiast.)

There can be no darkness where there is light. With the acquisition of knowledge on any subject, ignorance vanishes and the mind becomes a power, which, energetically and unceasingly applied, invariably fetches life results. To make his life one of results, each man must *specialize*. This is the *age of specialization*. The human race is engaged in one grand business—salesmanship, with its many branches; the man who is not selling something is merely occupying space, "taking up room." It may be goods, securities, service to the public, or his ability—but he is selling something. One's efforts must be along one line—selling life insurance—if he is to excel at it. If you don't specialize some other fellow will, and, being better fitted for his work, will carry off the plums, while you are playing the role of "Jack of All Trades, Master of None" in the great drama, "Life."

(New England Mutual Life Agency Bulletin.)

After a large stained glass window had been constructed for a noble edifice across the sea, an artist picked up the discarded fragments and made one of the most exquisite windows in all Europe for another cathedral. So the difference between two life underwriters, as to success or failure, is sometimes only the difference between the odds and ends of time which one carelessly throws away and another as carefully husbands.

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AGENTS WANTED AT UNREPRESENTED POINTS

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135 & 137 BROADWAY.
OF NEW YORK.

"Live Articles on Special Hazards"

This is the title of a handbook on Special Hazards which every inspector, examiner, local and special agent should possess. The articles are reprinted from the Monthly Fire Insurance Supplement of THE WEEKLY UNDERWRITER, for which they have been especially prepared by experts. Descriptions are given of the processes of manufacture and the physical characteristics of the risk, and the hazards are pointed out in detail. The book will contain about 100 pages, size 4½x6½ inches, bound in flexible leather, easy to carry in the pocket, and will contain the following articles:

Paint and Varnish Factories.....by A. G. Patton
Clothing Manufacture .....by E. R. Hardy
Metal Workers .....by C. C. Dominge
Patent and Enameled Leather Risks...by H. G. Howe
Storage Warehouses .....by R. D. Owen
Breweries .....by J. M. Boylan
Theatres .....by C. C. Dominge
Cotton Mills .....by A. G. Wilbor
Soap Factories .....by E. O. Torbohm
Fur Industry .....by G. E. Stecher
Brickyards .....by T. C. Naulty
Candy Factories .....by J. D. Waite
Tobacco Industry.....by I. G. Hoagland

and others—about thirteen or fourteen articles all told.

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That means the best life insurance to have and the best to sell. If you can sell life insurance, you can sell more of it for the CONNECTICUT MUTUAL.

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1860 50TH YEAR 1910

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OF NEW YORK

GEORGE E. IDE, President

ASSETS, $23,626,018.63 LIABILITIES, $21,858,691.52 (Including Deferred Dividend Fund)

Dividend-Endowment Fund (Deferred Dividends)	$2,119,044.00
Net Surplus	1,767,327.11
Insurance in Force	92,532,583.00

The Record for 1909 shows the following GAINS:

Insurance in Force	$4,164,239.00
Assets	1,917,117.00
Deferred Dividend Reserve	148,581.00
Contingency Reserve (Surplus)	655,149.17

OLDEST IN AMERICA STRONGEST IN THE WORLD

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Mutual Life Agents Make Most Money Because Mutual Life Policies Sell Most Freely

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[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1, 1910

CAPITAL

$1,500,000

RESERVE FOR ALL OTHER LIABILITIES

8,222,018

NET SURPLUS

6,440,211

ASSETS

16,162,229

GERMANIA

FIRE INSURANCE COMPANY

Organized 1859 **NEW YORK**

Cash Capital	$1,000,000.00
Assets	$6,562,839.14
Net Surplus	$2,008,419.02
Surplus for Policy Holders	$3,008,419.02

HEAD OFFICE: Cor. William and Cedar Streets

The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1910	$3,470,509.30
Total Liabilities, except Capital	1,920,837.24
Capital	500,000.00
Surplus to Policyholders	1,549,672.06

F. F. BUELL, Special Agent, Troy, N. Y.

Provident Life and Trust Co.

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The Provident has been particularly distinguished for the development of a highly trained force of agents. The systematic instruction which its agents receive has resulted in their being recognized as representatives of exceptional knowledge of the business and of marked efficiency.

Insurance Company of North America

FOUNDED 1792

232 Walnut Street, Philadelphia

Assets, January 1, 1909		$12,014,062.63
LIABILITIES—Reserved for Reinsurance and all other claims	$7,263,156.97	
Capital Stock	3,000,000.00	
Surplus over all Liabilities	1,750,905.66	$12,014,062.63

Agents in all the principal towns and cities.

EUGENE L. ELLISON, President.

T. HOUARD WRIGHT, Secretary. HENRY W. FARNUM, Assistant Secretary.

BENJAMIN RUSH, Second Vice President. JOHN O. PLATT, Assistant Secretary.

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1857 —— CHARTER PERPETUAL —— 1910

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APPLY

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FIRE ASSOCIATION

1817 OF PHILADELPHIA 1908

Total Assets,	$7,840,675.19
Capital Stock,	750,000.00
Net Surplus,	1,804,021.58

E. C. IRVIN, President.
T. H. CONDERMAN, Vice-President.

New York City Department
KELLY & FULLER, Agents
92 William Street, New York City
Boston Department
JOHN C. PAIGE & CO., Agents
65 Kilby Street, Boston, Mass.

THE Fidelity and Casualty Company,

97-103 CEDAR STREET, NEW YORK CITY.

Assets, $9,598,924.02.
Capital and Surplus, $3,564,229.90.
Losses Paid to January 1, 1910, $31,636,503.21.

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Bonds of Suretyship for persons in positions of trust.
Fidelity Bonds, Burglary, Plate Glass,
Steam Boiler, Flywheel, Employers',
Public, Teams, Workmen's Collective,
Elevator and General Liability;
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Physicians' Liability.

OFFICERS:
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ROBERT J. HILLAS, Vice-President and Secretary.
HENRY CROSSLEY, Assistant Secretary.
FRANK E. LAW, Second Assistant Secretary.
GEORGE W. ALLEN, Third Assistant Secretary

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By the New York Insurance Department to Transact Business in That State Since the Armstrong Laws were Enacted.
Ratio of Insurance Expense to Premium Income Only Sixty-five Per Cent. of Amount Allowed by the New York Law.

SEVENTH ANNUAL STATEMENT, JANUARY 1, 1910
W. C. BALDWIN, PRESIDENT.

ASSETS.

Real Estate		$10,153,664.87
Mortgage Loans		3,437,899.00
Loans Secured by Collateral		20,657.82
Loans to Policyholders		3,565,544.82
Bonds and Stocks		5,316,057.00
Cash		711,114.62
Accrued Interest and Rents		176,274.24
Due and Deferred Premiums		270,977.13
Total		$23,652,189.52

LIABILITIES.

Liabilities to Policyholders		$21,697,064.82
Capital Stock	$1,000,000.00	
Unassigned Funds	955,124.70	
Leaving a sum for security to Policyholders in Excess of Legal Liabilities of		1,955,124.70
Total		$23,652,189.52

IT PAYS THE AGENT

To represent the best company. There are many excellent standard life insurance companies. Which is the best? In stability, progressiveness, liberal contracts to agents and low cost to policyholders no company surpasses

THE

Union Central Life

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ASSETS, $74,523,966.28 - - - LIABILITIES, $72,324,302.92

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Northern Assurance Company, Ltd.

OF LONDON, ENGLAND.

EASTERN AND SOUTHERN DEPARTMENTS,

38 PINE STREET, NEW YORK.

GEORGE W. BABB, Jr., Manager. T. A. RALSTON, Sub-Manager.

Net Surplus and Capital, $486,413
Income 1909, . . . 1,146,723

WILL AID GOOD MEN IN ESTABLISHING AGENCIES
Best Policies, Largest Commissions or Profit Sharing Contract

NORTH AMERICAN ACCIDENT INS. CO.
A. E. FORREST, Vice-Pres. & Sec'y, Chicago.

The Columbian National Life Insurance Co. of Boston, Mass.

LIFE, ACCIDENT AND HEALTH INSURANCE

The Only Massachusetts Non-participating Company.

The New Columbian Policies are Unexcelled in Clearness and Liberality. Good Contracts and Territory for Good Producers.

ARTHUR E. CHILDS, President

COMMERCIAL UNION ASSURANCE CO.

LIMITED,

OF LONDON.

OFFICE:

Cor. Pine & William Sts., New York.

"The Leading Fire Insurance Company of America."

Incorporated 1819. Charter Perpetual.

Cash Capital	$4,000,000.00
Cash Assets	18,062,110.33
Total Liabilities	7,999,405.99
Net Surplus	6,062,704.34
Surplus as to Policyholders	10,062,704.34
Losses Paid in 91 Years	119,451,567.10

WM. B. CLARK, President.
W. H. KING, Vice President.
HENRY E. REES, Secretary.

A. N. WILLIAMS, E. J. SLOAN, E. S. ALLEN, GUY E. BEARDSLEY, W. F. WHITTELSEY, JR., "Marine," } Assistant Secretaries.

WESTERN BRANCH, Chicago, Ill.
THOS E. GALLAGHER, Gen. Agt.
L. O. KOHTZ, Asst. Gen. Agt.
J. S. GADSDEN, Gen. Agt. "Marine."

NORTHWESTERN BRANCH, Omaha, Neb.
WM. H. WYMAN, Gen. Agent. W. P. HARFORD, Ass't Gen. Agent.

PACIFIC BRANCH, San Francisco, Cal.
GEO. C. BOARDMAN, Gen. Agt.
E. C. MORRISON, Asst. Gen. Agt.

INLAND MARINE DEPARTMENT.
CHICAGO, 159 La Salle St. NEW YORK, 95 and 97 William St.
BOSTON, 70 Kilby St. PHILADELPHIA, 226 Walnut St.

PHOENIX

ASSURANCE COMPANY, LIMITED, OF LONDON
(ESTABLISHED 1782)

LOSSES PAID, OVER - - - $200,000,000

HEAD OFFICE FOR THE UNITED STATES
47 CEDAR STREET, NEW YORK CITY

A. D. IRVING, JR., SECRETARY
LOUIS F. BAYARD, PERCIVAL BERESFORD } JOINT MANAGERS

HARTFORD LIFE INSURANCE COMPANY

CHARTERED FORTY-THREE YEARS

GEO. E. KEENEY, President. THOMAS F. LAWRENCE, Secretary

1909 Policy Contracts are Participating and Non-Participating. Annual or Deferred Dividends—Rates revised and made lower. Values based upon the FULL RESERVE. Desirable Contracts for Producers. Address—

Second Vice-President, Home Office, HARTFORD, CONN.

1825. THE 1910.

Pennsylvania Fire Insurance Company

OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,349,097.67
Surplus	2,233,426.43
Total January 1, 1910	$7,332,524.10

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

INCORPORATED 1851.

Berkshire Life Insurance Company

OF PITTSFIELD, MASS.

All Policies issued by the Company are subject to the Massachusetts Non-Forfeiture Law.

JAMES W. HULL, President.
W. D. WYMAN, Vice-Pres. and Treasurer. J. M. LEE, Actuary.
THEO. L. ALLEN, Sec. ROBT. H. DAVENPORT, Asst. Sec.

Agencies in all the principal cities of the United States.

THE LEADING FIRE COMPANY OF THE WORLD

[of Liverpool, England.]

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A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS is unsurpassed for net low cost and care of interests of all members.

The Penn Mutual Life Insurance Company
OF PHILADELPHIA

On January 1, 1909, rates were reduced and values increased to full 3 per cent. reserve.

THE NATIONAL LIFE, U. S. A.
Wants Good Producers for District and General Agents

A SPLENDID CHANCE
to grow with a Western Company more than forty years old, operating in thirty States and Territories.

WORK FOR YOURSELF!
We have a Special Proposition for 1910. Why not write us?

CHICAGO'S OLDEST AND STRONGEST COMPANY

Robert D. Lay, Secretary, 159 La Salle Street, Chicago.

THE
John Hancock
MUTUAL
LIFE INSURANCE COMPANY
OF BOSTON MASSACHUSETTS

Good Contracts for Good Men.

ROLAND O. LAMB, President.
Robert K. Eaton, Superintendent of Agencies.
Walton L. Crocker, Secretary.

WILLIAM N. COMPTON, General Agent, St. Paul Building, New York

North British & Mercantile
INSURANCE COMPANY,
OF LONDON AND EDINBURGH.

Established 1809.

OFFICE:
76 WILLIAM STREET,
New York City.

HANOVER
Fire Insurance Company
OF NEW YORK.

Agencies in all the Principal Places in the United States.

Western Assurance Company
HEAD OFFICE: TORONTO, CANADA.
INCORPORATED 1851.
Hon. GEO. A. COX, President.
W. R. BROCK and JOHN HOSKIN, K. C., LL. D., Vice Presidents.
W. B. MEIKLE, General Manager.
UNITED STATES STATEMENT, JANUARY, 1910.

Assets	$2,277,303.37
Surplus in United States	539,268.07

THE HOME LIFE INSURANCE COMPANY
OF AMERICA. Inc. 1899

General Agents and District Managers
who can produce Ordinary Business can secure "GROUND-FLOOR" contracts with GUARANTEED RENEWALS and an assignment of territory limited only by capacity to produce AGENCY ORGANIZATION and Business. Send for Sample Policy. *It is one you can sell.*

New Business, $1,500,000, January-June, 1910.

Address GEO. M. NETTLESHIP, General Manager
Executive Offices, 416-18-20 Walnut St., Philadelphia, Pa.

GUARANTEES—NO ESTIMATES
ARE ALL POLICIES OF
American Central Life Insurance Co.
INDIANAPOLIS, INDIANA.
INSURANCE IN FORCE, $25,000,000. ASSETS $2,462,000

High Class Salesmen Wanted in
Tennessee, Missouri, Arkansas, Alabama, Michigan, Pennsylvania, Ohio, Indiana, Illinois, Texas, Kansas, Oklahoma and Kentucky

A NEW PLAN
OF COMPENSATING SALESMEN
Write for Information Today

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The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

VOL. LXXXIII. NEW YORK, SATURDAY, AUGUST 6, 1910. No. 6.

Published every Saturday by the Underwriter Printing and Publishing Company.

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Checks and money orders should be made payable to the order of THE WEEKLY UNDERWRITER.

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

THE mayor of Paterson, N. J., having heard from a committee of local fire insurance agents that owing to the many disastrous fires that have occurred in that city in the past six months they are fearful that the companies doing business there will demand an increase in premium rates unless some radical change takes place in the fire department, proudly replies that "the club which the companies are now holding over the heads of our taxpayers will have but little effect on this administration." It would seem that the best way to deal with an official who has so little concern for the taxpayers as to defy the insurance companies would be to advance the rates. The taxpayers will take care of him.

SUITS to test the right of States to interpose in the business of fire insurance companies and dictate the rates which they may charge to indemnify property owners in case of loss by fire have been instituted at times by the companies, and one such suit is now pending in Kansas. The plaintiffs are obviously at a disadvantage in this litigation, in view of the indiscriminating popular sentiment against corporations, to which politicians pander, and even courts are sometimes—perhaps unconsciously—sensitive. We do not recall an instance in which a policyholder, whose right to make a contract with an insurer is invaded by the State, has brought a test suit. A plenty of policyholders can be found who are wholly satisfied with the agreements they have with their companies, and who would be willing to ask the courts to enforce the provision of the Constitution of the United States that "no State shall pass a law impairing the obligation of contracts." In the opinion of one of our most astute underwriters it would be well to attack State lawlessness in that way.

THE special committee of the New York Legislature appointed to investigate charges against its members and the insurance business organized on Tuesday and gave notice of the first public hearing for August 30. The indications are that the committee will occupy its time at first with the inquiry into legislative "graft," and there is much vociferous protestation by committeemen and chief counsel that the sifting will be relentless, and nobody will be spared. We shall watch and see. In its official statement of its arrangements the committee announces that it "will welcome * * information concerning any abuses which may be known to exist in industrial life insurance and fire, casualty, marine and other forms of insurance than ordinary life," and persons desiring to lodge accusations or information are invited to do it with the chief counsel and the members of the committee. This should induce a plentiful flood of complaints from that ever existent and enduring moiety of the community which thinks that rates are too high or adjustments of losses not liberal enough to the insured. These we have with us always. Fortunately for the insurance interests, we believe, and for the interest of fair dealing therefore, the insurance part of the investigation has been entrusted to Mr. Alfred Hurrell, who has been loaned to the committee by the State Insurance Department. Mr. Hurrell is a clear thinking lawyer, and in his official relations with insurance has been conservative and unprejudiced. There is reason to be confident that he will not depart from his record in conducting the examination of the insurance business.

STATE taxation of insurance is onerous enough in most instances, but when municipalities add to the burden there is cause for special protest. Virginia is one of the States guilty of the evil practice, and the effort, therefore, of Insurance Commissioner Button to induce its abrogation by the commission appointed by the Legislature to formulate a new system of taxation for the State calls for commendation. Toward the purpose he has in view he has asked insurance companies transacting business in Virginia to furnish him with itemized statements of all taxes paid by them, both to the State and the cities which exact them. The recent scandalous performance of the local authorities at Newport News must have impressed the commissioner with the need of some action that will prevent the bringing of such discredit on the Old Dominion in the future. The economic law that the consumer pays the tax is inexorable. Retaliating by arresting the underwriters who add the municipal exaction to the premium will not annul that law. The insurance companies fully appreciate the service of those insurance commissioners who are interesting themselves in lightening the load of taxation laid by governments on the insurance business. Of this President George F. Seward's *Monthly Bulletin* fitly says:

> High commendation must be accredited those insurance officials who take this courageous stand, for the fact must never be lost sight of that they are largely dependent, in one way or another, for their official lives upon the law making authority of their States, which seems in most instances bent upon laying taxes where there is much money easily collected, and with but very little reference to the great economic principles and equities that should govern taxation.

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Facts and Opinions.

The **committee of investigation** appointed by the New York Legislature to inquire into corrupt practices in that body and concerning alleged abuses in the business of insurance companies other than ordinary life met at the Murray Hill Hotel on Tuesday and organized for work, Chairman Merritt presiding. All the members of the committee were present except Senator Brough, who is in Europe. The principal business accomplished at the meeting was the selection of Alfred Hurrell as assistant counsel to the committee and Prof. Albert W. Whitney as actuary for the insurance part of the investigation. Mr. Hurrell is the counsel for the New York State Insurance Department, and has been given leave of absence by Superintendent Hotchkiss until the middle of January next. Professor Whitney has occupied the chair of mathematics and insurance at the University of California, and was selected principally because he has never been associated officially with the companies which will come under examination. It was decided to set the time of the first public hearing of evidence for Tuesday, August 30, at the aldermanic chamber at the City Hall, New York. The following official notice thereof was issued:

The committee invites the co-operation of all citizens in assisting in the progress of its work, and to that end will welcome any charges relative to corrupt practices of public officials, and information concerning any abuses which may be known to exist in industrial life insurance and fire, casualty, marine and other forms of insurance than ordinary life. All persons desiring to lodge charges, complaints, and information as to corrupt practices or the other matters referred to may do so with the counsel to the committee, the Hon. M. Linn Bruce, 55 Liberty street, New York, or with the chairman of the committee at the Murray Hill Hotel, New York, or at Potsdam, St. Lawrence County, N. Y. Any member of the committee will also receive and report any matter filed with him.

It is expected that the first work of the investigating committee will be upon the "graft" charges. This may occupy several weeks. A large amount of evidence is said to have accumulated, a part of it being in the books of the defunct brokerage firm of Ellingwood & Cunningham, whose connection with presumably corrupt legislators was discovered by Insurance Superintendent Hotchkiss in his investigation proceedings last spring. The books are in a New Jersey barn, watched by New York detectives.

The **situation in Texas** continues to be peculiar, the Governor having communicated to the Senate the announcement of his ad interim appointment of William E. Hawkins as Insurance Commissioner without recommending his confirmation, and subsequently sending in the nomination of Fred C. Von Rosenberg, of Austin, to be his successor. It is reported from Austin that a majority of the Senate favors Mr. Hawkins, but it is doubtful if he could secure the two-thirds vote necessary for confirmation. He made a two hours' address to the Senate on July 28 in defense of his antagonism to the Governor, whom he denounced for trying to "hound him" from office, an address which the Austin *Statesman* pronounced "able and masterful." He was very much applauded. "Within three weeks," he said in his conclusion, "the State Fire Rating Board will have the entire situation thoroughly in hand, whatever action in the matter this special session may take." There are now three bills before the Legislature to regulate the fire insurance business, one by Mr. Hudspeth in the Senate which continues the State Rating Board under amended conditions; one in the House by Mr. Baker, which is substantially the same but does not include the provision excluding companies which withdraw or threaten to withdraw from the State, and one by Mr. Terrell, which also has a rating board provision. These bills are being considered in committee, and two hearings have been given on the Hudspeth bill, at which both complainants and underwriters appeared. Nineteen of the larger fire insurance companies have filed suits in the State Court at Austin asking that the rate reduction order made by the State Rating Board June 28 be annulled and vacated and the former rates reinstated. The plaintiffs state that the orders were unreasonable, oppressive and confiscatory and inadequate to compensate the companies for the hazards assumed.

The **resignation of Charles W. Fletcher** as Deputy Insurance Commissioner of Massachuetts has been handed in, and on September 1 he will relinquish his duties in the insurance department of that State to become the comptroller and assistant treasurer of the Massachusetts Bonding and Insurance Company of Boston. Mr. Fletcher has been one of the most active and efficient of public officials and has been prominent in service at the meetings of the National Convention of Insurance Commissioners. The following allusions to the career of Mr. Fletcher appear in the *Standard* of last week:

Charles W. Fletcher comes of good old Maine stock, having been born and having passed his boyhood on a farm in Somerset County. He received his education in the public schools, business college and the Maine Wesleyan Seminary. He taught school for a time, and later served as bookkeeper and special accountant in the treasurer's department of the Maine State Hospital. Engaging in the insurance business he became connected with a prominent general agency, with which he obtained a good working knowledge of the business detail of various kinds of insurance. In 1889 he was offered and accepted a clerical position with the then newly organized Maine Insurance Department, and was for some time the only employee beside the commissioner. So thorough was his work in systematizing record files and other details that when the office of deputy commissioner was created in 1895 he received the appointment. His service as deputy and on important committees of the National Insurance Commissioners' Convention earned the respect of the officials of leading States, and when the position of examiner was vacated in the Massachusetts department, Mr. Fletcher was Commissioner Cutting's candidate, and was duly appointed. When, following Mr. Cutting's death in 1907, Frank H. Hardison was made commissioner, Mr. Fletcher was advanced to the deputy commissionership, in which capacity he has done his full share in maintaining the Massachusetts Insurance Department as one of the most efficient of its class in the business.

The Insurance Commissioner has appointed Lemuel G. Hodgkins Deputy Commissioner to succeed Mr. Fletcher. Mr. Hodgkins has been the chief examiner of the department for some years. His place will be filled by Harry L. Fletcher, who has been connected with the examination work.

The **size of the British insurance business** was set forth recently in a paper read by S. Stanley Brown, president of the Insurance Institute of Great Britain and Ireland, in which he gave these interesting particulars:

1. There are at present incorporated under the laws of the United Kingdom at least 470 insurance companies. These companies transact their business not only at their registered offices, but also at branch offices established in the United Kingdom, in the colonies, and in foreign countries. It is computed that in the United Kingdom, the colonies and in foreign countries there are 1,900 registered and branch offices so established, and that the number of persons employed in registered and branch offices is 25,000 or thereabouts. 2. The capital of the 470 companies is set out in the following statement: Total authorized capital exceeds 123 millions sterling. Total subscribed capital exceeds 94 millions sterling. Total paid-up capital exceeds 20 millions sterling. 3. It is impossible to set out full particulars of the business of all the companies, many of the smaller being very limited by locality, range and objects, but an examination of the more important companies furnishes the following financial results: Of 280 companies so examined, the aggregate total income exceeds 82 millions sterling. The aggregate total reserves exceed 400 millions sterling. But insurance is not only of actual importance, but of importance in relation to other undertakings. I cannot compare it with the cotton, iron or steel industries, nor with banking enterprise, but we are able to compare it in a sense with the shipping industry of this country, because we can use the estimate of the late Sir Robert Giffen to the effect that the purchasing power of the shipping industry was about £100,000,000 per annum. Now that, gentlemen, I take to be about the amount of the premium income of all the insurance companies per annum.

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The Pennsylvania corporations which are acting as insurance agents will receive a sting from the following opinion of Assistant Deputy Attorney General William M. Hargest, of that State, addressed to the Insurance Commissioner, to the effect that **corporations cannot solicit insurance:**

DEAR SIR—Your letter addressed to the Attorney General, asking to be advised as to whether an agent's license can be issued to a corporation to do the business of insurance agent, was duly received. I understand that there have been recently incorporated companies to do, among other things, the business of insurance agents, and to solicit insurance risks, and that heretofore your department has not issued certificates as agents to any but individuals. Section 11 of the Act of April 4, 1873 (P. L. 20) provides: "Companies to which certificates of authority are issued, as provided in the preceding section, shall from time to time certify to the commissioner the names of the agents appointed by them to solicit risks in this State, and no such agent shall transact business until he has procured from the commissioner a certificate showing that the company has complied with the requirements of this act, and that the person named in said certificate has been duly appointed its agents." This language does not include or contemplate a corporation as an insurance agent. The question must be treated on the assumption that a corporation chartered to do the business of an insurance agent is properly incorporated within the "any lawful business" clause of the act of July 9, 1901 (P. L. 624). Statutes in which the word "person" is used are often construed to include corporations, but are not always so construed. When the act of 1875 was passed, corporations could not have been contemplated as insurance agents, because there was no authority to incorporate a company to transact such business. Moreover, the act not only uses the word "person" but also the personal pronoun "he," and I am, therefore, of opinion that a license ought not to be issued to a corporation as an insurance agent.

The **Texas Association of Local Fire Insurange Agents** has adopted a resolution favoring the retention of the **fire rating law** on the statute books on the ground that it has lowered the cost of insurance to a large majority of the people of Texas and is believed to be capable of reducing the rate on more than 90 per cent. of all the insurable risks in the State. In a circular to the agents of the State the officers of the association say:

As to the action of some of the companies in temporarily declining to write business at the reduced rates, it is believed that such declinations will be withdrawn in a short time, or as soon as those companies have had time to canvass the situation and assure themselves of the adequacy of the new rates. Believing the law to be a good one in spirit and ultimate operation, and that it cannot fail to prove of great benefit to the large majority of insurers in our State as well as the local agents, you are respectfully urged to do everything in your power to properly explain the situation to your senator and representatives in order that they may give the matter intelligent consideration, to the end that State control of fire insurance rates shall at least be retained. It would be exceedingly dangerous, under present conditions, to repeal the law and leave nothing in its place. The companies are in possession of a full inspection of the entire State, have their schedules of risks worked out, and if State control is withdrawn they will be in position to enforce any rates they see fit. It would be well for you to secure signed statements or petitions from your customers who have been benefited by the law and file with your members of the Legislature; also take such other action as you consider proper.

A statement has appeared in some publications to the effect that the **Provident Savings Life** has, through its **health bureau,** examined 38 per cent. of its policyholders and found 40 per cent. of them impaired. We are informed by the company that this statement is incorrect and that the facts are as follows:

Of those who applied during the first eight months for the health bureau examination, 62 per cent. were found in good health, and 38 per cent. were found with various forms of impairment; some of them not immediately dangerous, but all of them important, because they would have led to serious consequences if not discovered and checked in time. The large proportion of reported impairments was to an extent due to the fact that many of those who applied realized that they were ailing and wanted to know the truth. But the important fact disclosed by these examinations, and the one that fully justifies this plan of assisting in the conservation of the health of policyholders, was that 40 per cent. of those found impaired were unaware of any trouble. The knowledge gained by these medical examinations has enabled many of these people to avoid needless suffering and premature death. We simply informed them of their physical condition and the law of self preservation—the desire to live—did the rest.

Fire insurance companies are in receipt of a letter from the Phinney Agency at Merrill, Wis., giving them an opportunity to contribute to the expenses incurred in **checking forest fires.** The agency had the insurance on the Bundy Lumber Company, at Bundy, Wis. After the destruction of the town of Heineman by forest fires the agent went to Bundy and found the lumber plant in the path of a severe fire. Under his direction additional hose was purchased and forty men worked day and night for forty-eight hours wetting down the surrounding property, and finally succeeded in saving the plant. The agent guaranteed the expense of labor in order to have the work undertaken and has a bill for $300. He admits that he has no claim on the companies for this, and says that he will pay it if they do not, but he states the circumstances and allows them to take what action they choose. Fifteen companies were interested in the risk.

In introducing an account of the annual meeting of the **Association of Agents of the Northwestern Mutual Life insurance company** the company's paper, *Field Notes*, says:

The largest and most successful meeting of the Association of Agents of the Northwestern Mutual Life insurance company was held on the 19th and 20th of July. The attendance was very much like an avalanche, for while 220 members were registered in 1909, the register showed 306 names this year. The sessions were held in the pavilion on the roof of the home office, a meeting place saturated with memories to those of the older members who have attended notable meetings in past years. In accordance with the popular idea of the theory of probabilities the penny came down tails and the weather was delightfully cool. The program was carried out without a hitch, and the papers and addresses were all carefully thought out and effective. Purely competitive details were in the background, the meetings being characterized by a strong tendency to appreciate the future of the business, its opportunities, its ideals and the trend of present progress. The agent who attends these meetings carries back and transmits to his policyholders and his prospects a better conception of what this great organization stands for, and no agency expense of the company could be better justified than that pertaining to these meetings.

Loss conditions in the West are reported as severe. Forest fires continue to rage, with no signs of rain to aid in the efforts to fight them. The effect upon lumber losses is consequently severe. Business depression is believed to be the cause of an increased moral hazard affecting other classes of insured property. The July losses in Chicago have been the heaviest the month has known for some time. Up to August 1, 1,400 alarms had been turned in, while 600 is the monthly average. There were 164 alarms on the Fourth of July alone. It is estimated that the insurance losses for the month will be considerably over $1,000,000. The Griess-Pfleger tannery and the Northwestern Malt Company fires alone cost the companies $500,000. The losses last July were $222,326.

A **letter** received by an agent of a German life insurance company **from a bereaved husband,** whose wife had just died, is printed in *Business*, of Manchester, and runs thus:

Greatly shocked, I beg to inform you that my very dear wife, Anna Maria Louise L., who was insured in your company for marks 3,000, is dead, leaving me in the deepest despair behind. That happened this morning about 7 o'clock. I entreat you to send me as soon as possible the amount of insurance. The number of the policy is ———, which you will no doubt find in your books. She was a true wife and an admirable mother. In order to enable you to attend to the formalities as quickly as possible, I am enclosing herewith the certificate of death. She has suffered much, which made my torture still more unbearable. I trust that you will grant me some consolation by sending the money as quickly as possible, in return for which I promise to insure my second wife with you for marks 6,000. The conviction that you will grant me the above consolation makes it easier for me to bear the terrible trial which has afflicted me.

Texas is suffering from a plague of charbon, a malignant disease affecting cattle, sheep and other animals, and practically all the **live stock companies** doing business there have

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cancelled out of the affected districts. One company which solicited business in Orange County on the statement that it never cancelled a policy because of a plague has ordered cancellation of all its policies and has mailed checks to policyholders for the unearned premiums, less the commission of the local agent, instructing the policyholders to collect this, if possible, from the local agents. The local agents have refused to refund, have secured a written legal opinion that the company cannot legally cancel its policies until the full amount of the unearned premium is tendered, and are advising policyholders to retain their insurance and return the checks.

It is understood that E. F. Kohnke, a member of the New Orleans Board of Trade, and favored by the board for the position, will be one of the three commissioners under the new **Louisiana fire insurance rating law.** He is a member of the State Board of Arbitration of Labor Disputes, and is regarded as a conservative man. Wade H. Bynum, of Baton Rouge, formerly of the insurance firm of Bird & Bynum, has declined the other commissionership. The law requires the State fire marshal to be the third commissioner. B. B. Sullivan is the man. He is an ex-member of the Board of Fire Commissioners of New Orleans. The rating law does not take effect until March 1, 1911.

A **new general agency,** to be known as Lockwood Brothers & Ward, has made its appearance in New York. The firm is an amalgamation of Lockwood Brothers, Lester C. and Arthur H. Lockwood, with W. B. Ward, of Ward & Crawford. The new firm will represent the German of Pittsburgh and the Ben Franklin of Pittsburgh, heretofore represented by Ward & Crawford. The general agency will be located at 100 William street and the local agency at 80 William street, where Lockwood Brothers will continue to operate their general agency for the Concordia of Milwaukee. Lockwood Brothers have been appointed Brooklyn agents of the German of Pittsburgh.

The death of **Insurance Superintendent Drake,** of the District of Columbia, has called forth the following tribute from the local insurance organ:

In the opinion of *Views,* his untimely death from nervous breakdown is made all the more lamentable because it was undoubtedly occasioned by overwork, and by irritation over his handicap to bring the business affairs of his department up to date. In fact he so seriously and laboriously engaged in the task of creating a model insurance department that he refused to heed the repeated friendly admonition of the editor of *Views* that he was overtaxing his physical powers, and that Grim Nature would exact her penalties. His strict integrity, lovable and charitable disposition, loyalty in his friendships, and the valuable services he rendered in the upbuilding of his department, constitute the best monument to his memory.

Over-insurance of property has caused several cases of fraud, brought to the notice of Insurance Commissioner Hartigan, of Minnesota, and he has issued a warning against it, in which he says:

Insurance in excess of value is a fraud on the honest owner of property, and one of the strongest incentives to the dishonest to commit arson. The law of this State requires that all structures shall be examined and the insurable value fixed by the insurer or his agent. A compliance with this requirement will prevent over-insurance of buildings. An equal degree of care should be exercised in writing insurance on stocks or contents. The licenses of agents writing insurance that is clearly excessive will be cancelled.

A compromise has been effected in the $200,000 damage suit of Leiberman, Loveman & O'Brien against the Louisville & Nashville Railroad Company, and the case dismissed from the Circuit Court. The basis of the compromise is said to be $45,000. The immense lumber plant of the plaintiff was destroyed by fire on September 26, 1904. It was alleged that the blaze was caused by sparks from a locomotive of the defendant. The insurance companies joined with the lumber company in the damage suit, but the trial judge ruled that the latter was the sole party to bring action.

Vancouver, B. C., is to have a new life insurance company, to be known as the **British Columbia Life.** It is authorized to have a capital of $1,000,000. Of this amount $350,000 has already been subscribed. The par value of shares is $100, which will be sold at $125, on which $35 per share will be paid up. The officers are as follows: President, Jonathan Rogers; vice presidents, Richard Hall and J. J. Baufield; manager and secretary, F. W. Law; treasurer, C. E. Sampson. The actuarial work of the company has been done by Miles M. Dawson.

An odd **case of attempted twisting** is reported as having occurred in Boston. For true nerve it excites our admiration. A New York city company recently received a letter from a Boston general agent of another company asking the amount of the surrender value of a certain policy of the New York city company held by a resident of Boston. The agent even went further and asked that the information be sent to him direct, evidently so that Mr. Policyholder would not know about it until Mr. Agent confronted him with data to prove the desirability of a change.

A local agent of Woodbine, Ia., has a plan for **retaining control of his expirations.** He has a fireproof vault and whenever a policy is issued suggests to his customer that it be left with him for safe keeping, without charge, in this vault. He gives the customer a receipt for the policy which does not give any dates, so that his expirations are protected. The receipt is a large card, and also contains a digest of the Iowa insurance laws, instructions to the policyholder in case of loss, and other appropriate information.

A bill has been prepared by State Senator Travis for introduction in the next **Kansas Legislature** transferring the control of the **State rating law** from the Superintendent of Insurance to a non-partisan commission of three men, each of whom must have had at least ten years' practical experience in fire insurance. He is a friend of the State rating law, but holds that its power is too great to be fixed in a single elective official who is frequently without previous experience in insurance.

The **Home Life** insurance company **of Oklahoma City** announces the following officers: N. L. Linebaugh, D. D., president; John N. Shepler, vice president; H. W. Stover, vice president; J. C. Skeen, vice president; F. M. Frey, secretary-treasurer; W. I. Gilbert, general counsel. John F. Roche, of New York, has been retained as actuary and will take up his duties in a few weeks. The company is to have $100,000 capital and $50,000 surplus.

The Texas Insurance Department has called upon the **Lumber and Adirondack Fire** insurance companies of New York for a statement, under oath, showing the analysis of each and every specific rate at which they have written insurance in that State since December 31 last, under the special basis schedules filed by them and differing from the schedules of other fire companies.

On August 22 a special meeting of the stockholders of the **Continental insurance company** of New York will be held for the purpose of considering the question of amending its charter upon reincorporation under the insurance law of New

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York State, and the adoption thereunder of a new charter broadened to take all of the privileges at present allowed by the insurance law.

The **Illinois** Insurance Department is now acting under the new law which went into effect July 1 permitting it to take charge of **assessment companies which are insolvent** or are more than three months behind in the payment of death claims. The bill to dissolve the Ancient Order of Shepherds is the first action taken under this law.

The public is warned by the West Virginia Insurance Department that the **International Securities Company** of Wheeling, which is promoting the organization of the Citizens National Life of Wheeling, is not authorized to do business in West Virginia, nor is the Citizens National Life so licensed. The Securities Company is domiciled in Maine.

On account of financial stringency the **Cincinnati Life Underwriters' Club** has withdrawn its **invitation** to the National Association of Life Underwriters to meet in Cincinnati in 1911. The club is still in its infancy, but upon attaining its majority hopes to extend the invitation again.

A hearing was given by the Attorney General of Texas on Friday in the matter of the exclusion of the **Fidelity-Phenix insurance company** from the State on account of the law prohibiting mergers of companies. Second Vice President Rumsey appeared on behalf of the company.

The executive committee of the **Fire Underwriters' Association** of New York has appointed sub-committees on conditions in Boston, New York, Philadelphia, Pittsburgh and Baltimore, with instructions to report at the next meeting of the executive committee early in the autumn.

Fire insurance losses in Winnipeg have been very heavy in spite of the installation of the high pressure water system. The losses in 1908 were $500,000, but for the first half of 1909 they were $500,000, and for the first six months of this year were $700,000.

The **license of the Bankers Co-operative Life** insurance company of Denton, Tex., has been **cancelled** by Commissioner Hawkins. for failure to write the required $200,000 of business within six months of the time of filing articles of incorporation.

The **St. Louis life insurance companies** report business written during the first six months of 1910 as follows: Missouri State Life. $7,368,885; International Life, $5,258,000; St. Louis National, $508,000; German Mutual, $379,000.

A petition to the Chancery Court, England, by the **London and Lancashire Life** to be allowed to do **fire, accident** and other kinds of insurance **business,** exclusive of marine business, has been granted by the court.

Forty companies are now ignoring the **stamping office at Covington, Ky.,** and a meeting of local agents has asked the governing committee to send a special committee to investigate the situation.

Farm losses in the West are reported as very heavy, largely due to the dry weather. It is feared that an increased moral hazard will develop in the sections where the crops threaten to be poor.

The annual address at the annual meeting of the **Fire Underwriters' Association of the Northwest** in October will be delivered by Insurance Commissioner James V. Barry, of Michigan.

The **Swiss reinsurance company** will enter the United States, under the chaperonage of the Phœnix of London, to handle the reinsurance of the English company.

The **Prussian National** will issue an **underwriters' policy** in California in order to secure increased facilities, to be known as the Prussian National Underwriters.

The first Western **convention of the Actuarial Society of America** will be held at the Hotel Sinton, Cincinnati, on October 27 and 28.

The **Merchants Fire of Denver** has applied for admission to New York. W. L. Perrin & Son will be the metropolitan agents.

The **Concordia Fire** of Milwaukee has withdrawn from the general agency of Cochran, Thomas & Co., at Dallas, Tex.

The **Isthmus Lloyds** of New York, with Thomas Tileston as attorney and manager, has begun active business again.

Ten shares of the stock of the **Provident Savings Life** were sold at public auction this week at par, $100 a share.

The **Rochester German** is preparing to establish a separate department for handling sprinklered risks.

The Columbia Fire of Athens, Ga., has **joined the South Eastern Underwriters' Association.**

Personal.

Agency Appointments.

American Central Fire: Joseph M. Raleigh, special agent for Virginia and North Carolina.

City of New York Fire: Arthur C. Thornton, general agent for California and Oregon.

Empire State Surety: Eugene Church Company, Northwestern managers at Tacoma, Wash., for Washington and Oregon, succeeding J. A. Kennard & Co., of Seattle.

Merchants Fire of Denver: W. L. Perrin & Co., New York city.

Prussian National: Arthur C. Thornton, general agent for San Francisco and Oakland.

United States Life: James Taylor, manager for Chicago, succeeding Charles E. Hopkins, resigned.

Westchester Fire: E. R. Booker, special agent at Farmville, Va., for Virginia and the Carolinas.

Mr. Gustavas C. Holt, vice president of the Boston Board and senior member of the firm of John C. Paige & Co., died July 29 at his country residence at Hingham, Mass. Although he had been ill for about a month, his death, due to hardening of the arteries, came as a great shock to the fraternity. He was fifty-nine years of age. The funeral took place on Monday afternoon from his late town residence, 918 Beacon street. Many of his insurance associates were in attendance.

Mr. Harold G. Howe, of the loss department of the Commercial Union, who recently exhibited marked talent as a dramatic manager in the production of the "Barebones" minstrel show in New York, has booked himself for another engagement, this time in continuous vaudeville. His stage manager will be Miss Helena Du Bois, of Hoboken. The date of the dress rehearsal has not yet been fixed, but congratulations are pouring in.

Mr. Frank L. Heberling, who went from Chicago two years ago as special agent for the Springfield Fire and Marine in the western Canadian provinces, has been appointed supervising general agent, succeeding J. V. Nutter, resigned. The Springfield's agency at Winnipeg has been transferred from C. H. Enderton & Co. to the Smith-Fess Agency.

Mr. John C. Rennard has been appointed to the newly created office of electrical engineer of the New York fire department. The salary is $5,000. Under the commissioner's direction Mr. Rennard will supervise the construction of the new fire alarm telegraph system, for which $3,000,000 has been appropriated.

Mr. Thomas C. Naulty, who for some time past has been stamp clerk and inspector for the Underwriters' Association of New York State at

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Poughkeepsie, has resigned to join the staff of the Philadelphia Underwriters as special agent for the Eastern half of New York State.

Mr. James Grover, for the past eight years special agent of the Delaware in New England, will on August 15 become special agent of the New York Underwriters' agency for Vermont, Connecticut and western Massachusetts, with headquarters in Springfield, Mass.

Mr. Edwin C. Fox, who has been special agent for the Citizens of Missouri in Missouri, Kansas, Oklahoma and Colorado, has been appointed State agent for the North British and Mercantile in Kansas, with headquarters at Topeka.

Mr. George R. Nolan, formerly with the Massachusetts Bonding and Insurance Company, has been appointed on the local staff of the Great Eastern Casualty Company as outside man to develop the business from brokers.

Mr. Frank K. Mitchell, for ten years inspector with the New England Bureau of United Inspection, has resigned to become associated with the engineering department of the Continental, with headquarters in New York.

Mr. Edgar M. Goodwillie, superintendent of ratings for the Chicago Board of Underwriters, has completed twenty-five years of service with that organization. He was presented with a handsome gold watch by his co-workers.

Mr. W. H. Medlicott, for a number of years with the Underwriters' Bureau of New England, will join the staff of the London Assurance Corporation on August 15, to take charge of its sprinklered risk department.

Mr. Walter Nichols, who was secretary of the Mechanics Fire of Brooklyn from 1859 to 1887, when the company retired, and was afterward an insurance broker, died in Brooklyn on Thursday, aged ninety-two years.

Mr. Frank L. Gardner has been appointed secretary of the Dutchess Fire insurance company of Poughkeepsie, to succeed J. J. Graham. Mr. Gardner has been with the company for seven years.

Hon. Otto Kelsey, former insurance superintendent of New York State, has been elected president of the Huguenot Trust Company of New Rochelle, N. Y., recently organized.

Mr. Herbert J. Hill, special agent for New England for the Milwaukee Mechanics, has resigned as of September 1 to accept a position with the Phœnix of London.

Mr. Percy Putnam, late of the Blue Ridge Fire, has been appointed special agent of the Home of New York in Alabama, under General Agent Kalford Keith.

Mr. J. P. Faris, who, with his wife, was killed in an automobile accident at Niantic, Ill., last week, was a leading insurance man there.

Col. A. H. Wray, United States manager of the Commercial Union, was in Chicago on Monday on his way to Colorado.

Mr. E. G. Seibels, the prominent South Carolina general agent, who has been sojourning in Europe, has returned.

President E. C. Jameson, of the Globe and Rutgers, has returned from Europe.

Manager Charles H. Post, of the Caledonian, has arrived home from Europe.

Casualty and Surety Insurance.

Unusual accidents of the week are as follows: A young woman, while walking in her sleep, on being spoken to did not answer, and, being taken for a burglar, was shot and instantly killed.

A young man in attempting to pick up a rattlesnake was severely bitten on the hand.

A three year old girl while playing near an open well fell in and struck on a board, which buoyed her up until rescued.

A passenger train ran into a burning trestle, and as a result sixteen persons were killed and many others badly injured.

A man suffering with heart disease, after getting his daughter and niece, who had gone bathing, out of danger, was himself seized with an attack of his malady, and, falling back into the water, was drowned.

A man twenty-one years of age while swimming was seized with a hemorrhage of the lungs, and after being carried from the water died in three hours.

A mother, being so glad to see her son after many years' separation, was suddenly stricken speechless.

A watchman on a country road, after shaking hands with Colonel Roosevelt, was so anxious to tell his friends that he ran two miles to the city, and dropped unconscious just as he was about to gasp out the news.

A fireman wearing an oxygen helmet was overcome in attempting to rescue one of his comrades who had fallen, and, stumbling, was stunned by the heavy helmet.

The gun of a man out duck hunting in a sink box exploded, stunning him and tearing a hole through the bottom of the sink box, which filled and sank before the hunter recovered consciousness.

A man while holding a crane which had been slighty wounded was unable to dodge its beak, and the bird picked out his left eye.

A two year old boy took hold of a plate on the table containing fly poison, and before he could be stopped drank the poison, causing death.

An Indianapolis man seeing a rabbit in his yard started to load a shotgun, when the cartridge exploded, the charge striking and killing his wife.

The **liability** underwriters have had a busy week working over the **rate situation.** The new workmen's compensation law and the amendments to the liability law make it necessary that the companies base their new rates upon their combined experiences. A long and busy session of the committee of seven companies was held in Hartford on Wednesday, at which the collaboration of experience figures was practically completed. Although the rates have not yet been published, and are not expected before next week, it is known that they will be drawn from the experience of both conference and non-conference companies. The matter of a classification is of course a difficult one to handle, as hardly any two risks of the same character conduct their operations in the same manner. This fact alone has contributed no small amount of work for the committees. A meeting will be held next Wednesday at the office of the Ocean Accident and Guarantee Corporation in New York, and it is expected that the new rates will be in the hands of the agents shortly thereafter. Those in a position to know state that the rates are nearly finished, and that they will be just and adequate. It is not expected that there will be much strenuous opposition to the increases in the liability rates, but the underwriters are curious to know how the idea of workmen's compensation will be taken. For the first time in this country this form of business will have become as much of a commercial necessity as fire insurance, and all employers of labor are not expected to take kindly to the added expense. The underwriters believe this, despite the recent activity of a number of powerful organizations, such as the National Association of Manufacturers, which have been active in investigating industrial indemnity and the prevention of industrial accidents.

The United States Treasury Department has issued the following **revised list of acceptable sureties** on Federal bonds, with the limit for which they may be accepted on any one bond. The United Surety of Baltimore is given a temporary rating of $30,000. The Maryland Casualty appears for the first time with a rating of $219,101.10. The Guarantee Company of North America of Montreal, Canada, is acceptable as a reinsuring company to the extent of $50.000 on any one bond. The list follows:

Limit on Any One Bond 10 Per Cent. of Capital and Surplus—Pacific Coast Casualty, San Francisco, $66,278.11; Pacific Surety, San Francisco, $36,984.75; Ætna Indemnity, Hartford, $38,812.59; Illinois Surety, Chicago, $30,217.65; Federal Union Surety, Indianapolis, $34,009.60; American Bonding, $147,765.74; Fidelity and Deposit, $431,491.77; Maryland Casualty, $219,101.10; United States Fidelity and Guaranty, $255,368.55; United Surety, Baltimore, $30,000; Massachusetts Bonding and Insurance, Boston, $71,817.84; International Fidelity, New Jersey, $40,505.60; American Surety, $588,081.09; Empire State Surety, $60,368.41; Fidelity and Casualty, $327,845.50; National Surety, New York, $168,953.80; People's Surety, Brooklyn, $49,712.23; United States Guarantee, $60,586.25; Bankers Surety, Cleveland, $54,025.59; Southwestern Surety, Denison, Tex., $46,275.25; Southern Surety, Muskogee, $44,669.31; Pennsylvania Surety, Harrisburg, $46,142.58; Title Guaranty and Surety, Scranton, $116,877.42; American Fidelity, Montpelier, $67,828.70; Citizens Trust and Guaranty, Parkersburg, $52,052.05.

The **Detroit Conference,** on the last day of its annual meeting at Mackinac last week, elected the following officers and executive committee to serve during the ensuing year: Presi-

(Continued on page 106.)

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The Weekly Underwriter:

MONTHLY FIRE INSURANCE SUPPLEMENT.

NEW YORK, AUGUST 6, 1910.

THE TOBACCO INDUSTRY.

An Exposition of the Processes of Marketing and Fermenting Tobacco—The Fire Hazards of Tobacco Warehouses and Drying Machines.

By I. G. Hoagland, with the South Eastern Underwriters' Association, Atlanta, Ga.

(*Continued from the July Supplement.*)

MARKETING TOBACCO.

Only in the bright yellow, white burley and dark export districts is there organized system in marketing tobacco. In these sections tobacco growing centres have storage and sales warehouses for the convenient handling of the leaf during market season.

There are three general methods of marketing tobacco, to wit: by private sale at farmer's barn or dealer's warehouse; selling leaf in heaps—"loose"—at public auction, and selling, also at public auction, "inspected" leaf in hogsheads by samples drawn therefrom, which sales are termed "breaks."

Cigar leaf is generally purchased from the growers either in the field or barn by the dealers and manufacturers, who, by handling large quantities, can secure uniformity in grading and conditioning. Case packed leaf in the North is generally sold at private sale.

In Florida and south Georgia the planters sell direct to dealers who maintain large central fermentation or packing houses.

FERMENTATION OR PACKING HOUSES.

As received the leaf is roughly graded as wrappers and fillers. If in proper "order," i. e., with about 24 per cent of moisture, the bundles of leaf are piled in "bulks" to ferment or "bulk sweat." These "bulks" or piles are built up on platforms about 5 feet wide by 12 feet long and raised several inches above the floor to a height of from 5 to 7 feet. If not in proper "order" the leaf is "ordered" by spraying with water or steam before "bulking." During fermentation considerable heat is generated and the temperature is carefully watched to see that it does not rise too rapidly and too high and thus spoil the leaf. As the temperature rises to the safe limit the "bulk" is pulled down, bundles shaken out and a new pile built. This is repeated several times. Ordinarily the temperature rises at the rate of about 10° Fahr. a day until it reaches 135° Fahr., which is a safe limit. The temperature in each successive "rebulking" is less than in former "bulks," until the last or "cold sweat," when the fermentation ceases. Seldom is the temperature allowed to go higher than 145° Fahr., although 180° Fahr. has been reached.

THE THEORY OF FERMENTATION OF TOBACCO.

It is apropos at this juncture to briefly discuss the theory of fermentation of tobacco, which is necessary to develop the flavor and aroma in any tobacco.

As a result of investigations made by Dr. Oscar Loew, formerly of the Department of Agriculture, the claims of Suchsland that the flavor and aroma of tobacco are developed by bacterial action are opposed. Dr. Loew reveals that the fermentation in tobacco is in the nature of oxidation, brought about by soluble ferments, similar to diastase, the active agent in malt fermentation. The action of the ferments, or enzyms, as they are termed, is analogous to that of a rusty nail on the wood it is imbedded in. The wood oxidizes more rapidly about the nail than elsewhere, being able to take up oxygen more freely in presence of the iron oxide of the rust on the nail. Likewise the oxidizing enzyms act as oxygen carriers in the leaf, and doing their work generate heat. When sufficient oxygen has been supplied and fermentation is complete, the enzyms, having served their purpose, disappear.

In the wrapper leaf, it is not desirable that the heat be allowed to get too high. With filler leaf it is the reverse, as the farther fermentation goes, the better will be the leaf for filler purposes. With this in view, filler leaf is "ordered" or "petuned" after initial fermentation and again "rebulked" for extended fermentation. "Petuning" is a Cuban process, which consists in spraying or dipping the leaf in a liquid made up of tobacco extract, molasses, rum, sour wine, etc.

After fermentation, Sumatra wrapper leaf is assorted, tied into "bands" and baled about the same as imported leaf. The Cuban leaf is packed in cylindrical bundles termed "carattes."

SALES WAREHOUSES.

In Virginia and North Carolina, where tobacco is marketed by the "loose" methods, the leaf is brought in by the farmers in wagons or shipped in tierces from more remote farms. The leaf as received is loaded on trucks, weighed and dumped in neat piles on the floor. Each pile is marked with a card containing descriptive information, and the leaf is ready for auction. In Danville, Va., accounted the greatest leaf market in the world, the leaf is classified for sale as "wrappers," "fillers" (both for plug manufacturers), "cutters" (for fine cut),' and "granulators" for pipe smoking). After the sale, the buyers' helpers gather the purchased leaf in large baskets and carry it to the leaf house, prizery or stemmery, just as you choose to term it.

When the "inspected leaf" system of public sales obtains, the warehouses are licensed and governed by law. Warehousemen are supposedly compelled, under the law, to keep the warehouses clean and in good repair, and the hogsheads of tobacco skidded above the floor. As a hogshead is entered for sale, the top head is removed, the hogshead inverted and lifted from its contents. Under supervision of a sworn and bonded inspector, the cylinder of tobacco thus exposed is broken in several places by a lever and sample "bands" withdrawn from each "break." These are bundled together, labeled and sealed, and laid on top of the tobacco, awaiting the time of the sale. After sale, the cask is replaced, recoopered, weighed and made ready for removal by the buyer.

HAZARDS AND OTHER CONSIDERATIONS ATTENDING LEAF MARKETING.

It is fitting here to consider the inherent hazard in tobacco leaf itself, i. e., the action of fermentation, previously described. This is one of the many forms of oxidation, which is the broad physical principle underlying all of the various manifestations of spontaneous heating. This may or may not cause fire in the material itself, when so heated to a considerable degree, but when such material is in contact with a combustible substance, such as wood, this heating might carbonize it to such an extent that visible combustion would result.

Fermentation takes place in most all types of tobacco, but in widely varying degrees. In some, the action would be very mild; in others, considerable. Even at worst, the hazard is more theoretical than real, as such heating, if allowed to continue, would ruin the leaf even if fermentation did not ensue, and all along the line, from barn to factory, the leaf is carefully watched. However, there are a few cases of record where heating did occur in the leaf to a dangerous extent.

Some tobacco handlers claim that if the leaf is imperfectly dried and bulked in too high "case" or "order," spontaneous heating is likely to occur. Others aver that the drying has nothing to do with it, but that the heating results from too high "order" alone. One case is recorded where a hogshead of bright tobacco, after being in a warehouse for several years, was opened and found to be a badly charred mass, shrunken several inches from the inner sides of the hogshead. In another case a heap of floor-dried scrap, when turned over, was seen to be smouldering. This scrap was in what is termed "farmers' order," and had been swept up from sales warehouse floors.

"Dipped filler" (for plug tobacco), is generally supposed to be free from this possibility, as the leaf is so carefully conditioned. However, a case is recorded where spontaneous heating occurred in a "bulk" of "dipped filler." The watchman, making his rounds through the factory, noticed a small hole burning in the ceiling. Above this place was a pile or "bulk" of "dipped

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filler," and upon tearing the "bulk" down a charred mass, the size of a barrel, was found in the centre of it. This was so hot that it could not be touched by hand.

Types of leaf in which fermentation is most intense are the Florida cigar types. In other types, it is likely to be more moderate. However, and as before stated, the condition is carefully watched, and it is hardly possible to consider the fermentation of tobacco as a potential hazard.

The burning of tobacco is influenced by potassium salts and cellulose content. Tobacco stems are richer in the salts than the leaf, principally in form of potassium nitrate, which causes freer burning and holding of a low fire for a long time where a free supply of oxygen is not had.

CONSTRUCTION AND HAZARDS OF FERMENTATION OR PACKING HOUSES.

In the Florida districts these are often of inferior construction and of barn-like dimensions, with inferior conditions of lighting and heating. Some more ambitious dealers have built extensive buildings of brick with more or less slow-burning floors, and have equipped the premises with automatic sprinklers. Other than the fermentation heat, as before described, there are no special hazards, but the question of distribution of values constitutes an important feature. Unlike other dealers' storehouses, these packing houses contain the leaf for quite a period of time, and the values subject to one fire are very considerable. It is, therefore, desirable to minimize these values as much as possible, and sections in which they are stored should be kept free of undesirable storage. The writer once observed a very undesirable condition in a risk of this character. The building was two stories high; first story occupied for storage of packed tobacco, value nearly $100,000; second story, occupied for miscellaneous storage, *including paints, oils, pitch, unslacked lime, etc.*, all above a highly susceptible commodity, liable to total damage by fire, smoke or water.

RECOMMENDATIONS FOR SALES WAREHOUSES.

Sales warehouses are generally of considerable area, walls of brick or wood, one story in height, with high gable roof. Much natural light is needed, which is had through large skylights in the roof and windows in the side walls. Artificial lighting is generally confined to the small area partitioned off for office purposes, as is also the heating.

As a general proposition sales warehouses should be of minimum combustibility—they are very much the reverse. The average physical arrangement of prevailing types introduces much combustible bulk in the construction, by reason of large area, high gable roof and wide span between supporting walls, all of which necessitates elaborate truss work, which is, of course, of wood.

Reinforced concrete could well be applied to this class of construction, and surely the additional investment in increased cost of construction would be worth while when it is considered that no other commodity of commerce handled in quantities like tobacco has such value and is at the same time so highly susceptible to triple damage by fire, smoke and water.

Next in order of excellence would be the so called plank on timber construction with steel roof trusses, all protected by automatic sprinklers.

As the construction should be of minimum combustibility, likewise should the area be minimum. Subdivision of area is a universal "good thing." Those competent to judge agree that 15,000 square feet is the maximum for an undivided area in a sales warehouse.

Regarding height, it is assumed that one story is sufficient. The high gable roof has been established by custom, but the builders of these warehouses are evidently unaware of the superior advantages of the "sawtooth" roof.

In fine, a standard warehouse of this class should be of minimum combustibility, area and height, and solely occupied for sampling, temporary storage and sale of tobacco. Such a building should be comparatively isolated, and if not it should be protected against exposures by universally accepted methods. Details of service, equipment and construction should conform with the standards in vogue.

UNDESIRABLE CONDITIONS.

While there are no hazards of consequence in first class warehouses, there are undesirable conditions, such as camping of farmers, stabling horses and hanging of leaf, much of which, however, has greatly lessened in recent years. In the old days farmers from the back country would have to wait for a sale and would "camp out" in the warehouse, and there stable the teams and hang up leaf that had gotten wet during the journey to town. All this detracts from the excellence of the sales warehouse.

Congestion of values does not last long in these warehouses, as the leaf is moving in and out continually during the crop season.

Before leaving this topic it is timely to remark that the contemptible forms of matches unloaded on the American public are responsible for more fires than any other cause in these warehouses. Smoking is general during sales, and this is where the match starts on its evil journey. If it does not "combust" in the sales warehouse it comes to light (literally) in some drying machine later on.

REHANDLING AND STEMMING.

After marketing it is necessary to rehandle the leaf for proper conditioning for distribution to manufacturers. The idea of the average grower is to market his leaf as quickly as possible, and he pays little attention to grading and conditioning the leaf, leaving that to the rehandler. Rehandling consists in assorting and grading, drying, ordering and "prizing" into hogsheads. Tobacco as marketed, in "farmers' order," besides being improperly graded, is not in condition to keep if packed in hogsheads. To properly condition it the leaf is thoroughly dried to eliminate moisture, excess sap, gum, etc.; then cooled, "ordered" and "prized" or packed into hogsheads.

In addition to rehandling and because of high import duty English export leaf is stemmed—midrib of leaf removed—and after drying is "ordered" to a moisture content of 10 per cent. (the legal minimum). It is an expensive matter to pay duty on stems and water. "Strips," as the stemmed leaf is termed, are mainly from dark export leaf, but those from white burley and bright yellow tobacco are gaining favor.

Rehandling operations are generally carried on in buildings nowadays more especially adapted for the purpose than in former years, variously termed rehandling establishments, leaf houses, prizeries, reprizeries, ordering and reordering establishments and stemmeries. The term prizery is the most characteristic and concise. It is sanctioned by long usage and is derived from the word "prizing"—the operation of packing tobacco with force. Strictly speaking, a prizery is where the leaf is hung to dry by natural means, as is likewise the "ordering," after sorting and grading. In the modern prizery the leaf is not hung (except some special types), but has passed through a patent drying and ordering machine. The leaf house of the dealer is quite the same as the prizery. The term stemmery is always indicative of the occupancy. These plants are intermediary between the growers and manufacturers and are operated by middlemen, dealers, export buyers and manufacturers.

Modern methods of conditioning tobacco differ widely from those of former days, when months were consumed in drying and ordering. Today it is a matter of minutes, such have been the improvements afforded by application of mechanical ingenuity.

Improvements have developed step by step until now we have the highly perfected drying and ordering machine which has revolutionized the industry. This apparatus will be considered separately.

THE STEMMERY.

The manner of handling tobacco in a modern export leaf stemmery is as follows: Tobacco is received in baskets from the sales warehouse is weighed, roughly graded by basketsful and stored in heaps to await stemming. Before stemming it is "ordered" in a revolving drum open at ends, into which discharges a jet of steam. This conditions the leaf for handling, and after stemming the "strips" are graded and bundled into "hands." These are straddled over sticks and put through a drying and ordering machine and "prized" into hogsheads. Scrap tobacco resulting from handling the leaf is stored in bulk and when in sufficient quantity it is cleaned in a sand reel, dried, ordered and "prized." The stems are separately stored until sold.

CIGAR LEAF STEMMERIES.

Domestic cigar leaf stemmeries are in a class by themselves. These are found either in connection with a cigar factory or isolated. The leaf is received generally in cases. Cases are opened, the "hands" of leaf shaken out, laid on a huge truck and sprayed with water, to "order" the leaf for proper fermentation in the sweat room. The loaded trucks are rolled into the sweat room, and there the tobacco remains for several weeks in a humid atmosphere kept at a constant temperature of about 95 degrees Fahr. After "sweating" the hands are untied, the leaves assorted and graded and then "cased" or flavored. This is done in a "casing machine," a short revolving drum through which the leaf is tumbled, the while being sprayed with a flavoring sauce. This at once flavors the leaf and gives it "order" for stemming. Stemming is done by hand and by machine in large plants. The strips are bundled into small packets termed "books," the operation, "booking."

"Booked strips" are laid in wire trays supported in huge trucks, especially adapted and dried in special dry rooms large enough for a number of trucks. The rooms are heated by an interior circulation of hot air from steam pipes. A temperature of about 100 degrees is maintained. After drying for several hours cooling

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is effected by removing trucks and "ordering" in rooms similar to dry rooms which are humidified with steam sprays. Packing is done in paper lined cases, and the "strips" so packed are shipped to the various domestic cigar factories.

HAZARDS AND OTHER CONSIDERATIONS ATTENDING LEAF HANDLING.

Today prizeries and stemmeries are very similar in physical nature, though there was a time when this was not so. The principal hazard of the class is in the drying operation, which is to be treated in a subsequent instalment of this article.

Defective moral conditions, especially in leaf houses and prizeries, are now history. In the old days before manufacturers became heavy direct buyers speculation was rife, and if in no other way a sale could be made to the insurance company. However, the day of the "pinhooker" or speculator has passed, and likewise a bad fire record.

Hanging of leaf is more the exception than the rule nowadays, but with some leaf it is necessary to hang in the old way. This at once exposes tobacco to smoke damage and free burning.

Today the only risks of this class which are standardized and which possess characteristic features are certain stemmeries owned by a foreign corporation. What has been done in these risks in the way of improved construction and arrangement is heartily recommended.

The most characteristic feature of arrangement is in the isolation of the drying machine in a separate one story building. The main building in which tobacco is received, stored and stemmed is two to three stories in height, of moderate area, walls of brick, floors and roof of slow burning construction. Boilers and engine are in separate adjoining sections, well cut off.

Standard prizeries, stemmeries and manufactories should be of incombustible or standard slow burning construction. The plant to consist of a main building or buildings—one or more separate fire sections, area of each not exceeding 10,000 square feet, and each properly cut off from the other—a dryer building and a power house. Lighting, heating and power services should be installed in accordance with prevailing underwriters' standards.

TOBACCO STORAGE WAREHOUSES.

These vary in excellence according to their nature and in some cases are confounded with prizeries, as in case of the jobber or dealer on whose premises tobacco is often stored for sale to manufacturers. Storage warehouses proper are occupied exclusively for storage of tobacco in hogsheads and other packages and are generally in connection with tobacco manufactories in cities and towns. They constitute an important class. In them are constantly held huge values in tobacco.

There are no special hazards. Common hazard conditions depend upon the character of administration. Lighting of any should be electric, installation in conduit, fuses and switches outside. The use of lanterns is not desirable. Heating should not be permitted. Care and cleanliness should be of the best. Camping, stabling or hanging leaf is out of question, and even office or sample room occupancy should not be allowed. All packages of leaf should be raised on skids. "Sweating" is permissible; it adds no hazard. More particularly in this class than in any other is it necessary to improve construction and arrangement. An improved warehouse should be incombustible and of minimum area and height.

Good warehouses are built of brick, two stories high, floors of heavy mill construction with no openings.

Even this does not represent the advanced type. The best warehouses of the day are of brick, divided into fire sections of moderate area—not exceeding 10,000 square feet—height, one story; roof, slow burning or fireproof; floors of concrete on earth. These warehouses have to be freely ventilated. This is best done by flues in walls. Roofs should be unbroken.

Exposure fires should be guarded against by most approved methods. Isolation is much the best.

The class of warehouse above considered is strictly a manufactory warehouse and represents the most important variety, having fixed and characteristic features. There are various other kinds of warehouses which may be termed dealers' or commercial warehouses, as opposed to factory warehouses. In them the line cannot be so finely drawn as in the factory warehouses.

(*To be continued in a subsequent issue.*)

General Classification of Fire Losses in the United States, Amounting to $5,000 and Over, Reported in July.

Number of Fires.	Classification.	Reported Loss.
20	Sawmills	$836,000
1	Pier shed	750,000
7	Railroad properties	547,000
54	Dwellings	327,500
11	Lumber yards	317,000
14	Stables	262,000
1	Silk mill	250,000
3	Cold storage warehouses	230,000
2	Cotton oil mills	230,000
30	Farm barns	225,500
10	Hotels	201,500
1	Oil and paint warehouse	200,000
1	Oil refinery	200,000
4	Grain elevators	199,000
3	Flouring mills	165,000
2	Lime kilns	160,000
1	Straw hat factory	150,000
5	Furniture factories	135,000
6	Storage warehouses	131,500
2	Glass factories	125,000
4	Iron and steel foundries	123,000
3	Ice houses	120,000
1	Wire and cable factory	120,000
1	Oil tank	100,000
2	Stock yards	100,000
2	Drug and chemical works	85,000
2	Machine shops	85,000
2	Smelters	83,000
1	Laundry	75,000
3	Garages	65,000
1	Envelope factory	60,000
2	Illuminating gas plants	60,000
3	Amusement resorts	56,000
2	Club houses	55,000
2	Theatres	55,000
1	Brewery	50,000
2	Clothing factories	50,000
1	Oil cloth factory	50,000
5	Churches	48,500
3	General stores	45,000
4	Apartment houses and tenements	43,000
4	Planing mills	42,000
1	School, and college buildings	35,000
1	Fireworks factory	30,000
1	Meat packing plant	30,000
1	Paper mill	30,000
2	Tobacco factories	28,000
2	Brick yards	27,000
2	Electric light and power plants	26,000
1	Cooperage plant	25,000
1	Pottery	25,000
3	Dwellings, with store	22,000
1	Coal pocket	20,000
1	Grain and hemp warehouse	20,000
1	Ship yard	20,000
1	Tannery	20,000
1	Porcelain works	19,000
2	Cotton gins	16,000
2	Paint and varnish factories	14,000
2	Mattress factories	12,000
1	Junk warehouse	10,000
1	Tar roofing factory	10,000
1	Stone yard	8,000
1	Wax works	8,000
1	Creamery	7,000
1	Powder works	6,000
1	Cement factory	5,000
1	Grist mill	5,500
1	Metal worker	5,000
1	Printing office	5,000
49	Spreading fires, omnibus loss	4,435,600
18	Retail stores, all classes	302,500
9	Brick mercantile risks, with varied occupancy	294,500
2	Frame mercantile risks, varied occupancy	21,000
5	Brick manufacturing risks, varied occupancy	60,000
	Total	$12,802,100
	Add 15 per cent. for small and unreported fires	1,920,215
	Total	$14,722,315

Total number of fires reported, 344.

SUGGESTIONS FOR THE ADJUSTER.

Adapted from the Firemans Fund Record.

Merchandise losses present many angles to the adjuster; they may be partial or total; there may be a claim for loss by smoke to a cast iron press, or for water damage to a water-pump intended for pumping water out of a mine. Such claims have been made, and, unfortunately for the credit of the profession, have been allowed. Claims for smoke damage to cigars in airtight tin cases covered with wood, because of fire two or three doors away, have also been allowed; claims for smoke damage to various classes of stocks because of fire next door or in the next block are so common that the merchant who does not make a claim for smoke damage when there is a fire anywhere in his neighborhood is looked upon by underwriters as an oasis in the desert. Allowing loss on property that does not show damage and that is not damaged indicates weakness in the adjuster, sometimes manifested in order to get business, but more times because he has not the backbone to be fair to the insured and to the company, or because he does not take pains to place the so-called damaged property properly before the insured and insist upon the damage thereon being shown. The adjuster must hail from the State where "Show Me" is the slogan; the adjuster should be ignorant and helpless; ignorant on values until shown, and helpless because he is compelled to follow the

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contract made by the company and the claimant. Probably not over one loss in fifty on merchandise comes under the heading of a book loss; the other forty-nine are damage or damage-claimed losses, to be closed by examination of the property and agreement on or appraisement of the amount of loss thereon.

In all cases where the total loss on goods does not exceed, say, 10 or 15 per cent. of the stock, taking the claimant's verbal statement of the amount of and class of goods in the part of the building where the fire occurred, verifying his story by the debris, agreeing on the amount of loss on the total loss to stock, and then fixing the loss on the damaged goods by agreement or appraisal, is safer than settling by the books. Where the loss must be adjusted by the books, the inventory should be verified by the previous year's books in order to detect any cases of double entry or purchases charged twice, or stuffing the inventory. This applies particularly to branch stores, or to stores doing a losing business, where stuffing the inventory might be necessary to maintain the character of the branch manager or the credit of the concern. The net inventory, the purchases at net invoice, the per cent. of freight on net invoice, makes up the total to be accounted for at invoice and freight. The sales cash and credit; the per cent. of profit over invoice cost, and all other transactions as noted in a statement of loss should be ascertained and agreed on in writing by the adjuster and the claimant before proceeding to find the net loss. Proofs should not be made up for a total loss if there be any pending unsettled questions, as a claim for total loss can be admitted at any time.

The adjuster's certificate on the proof as to the amount of and honesty of the loss should be dispensed with, as it is a bad feature if the claim be contested because of acts or facts ascertained after the adjustment. When the loss to the property is fixed, ownership, names of owners, chattel mortgages, gasoline and other factors that might throw more light on the loss should be inquired into and reported with the proof, but in cases where the policy is voided by acts of the insured or others, and admitted by him, the inquiry must then stop.

FIRE INSURANCE IN THE COURTS.

A Concise and Convenient Digest of the Law of Fire Insurance as It Is Being Developed and Interpreted by the Various Courts Throughout the United States.

Reported for the Weekly Underwriter by W. Woodhull Hay, of the New York Bar.

1. Foreign Insurance Company—Effect of Service of Summons on State Superintendent of Insurance, After His Power of Attorney Is Revoked, Stated.

The insurer was a corporation of Switzerland and had filed with the State Superintendent of Insurance a power of attorney for him to receive legal processes. On October 31, 1901, the insurer ceased to do business within this State, and on September 24, 1907, a written revocation of the said power of attorney was filed with the same officer. The summons in this action was served on the Superintendent on the day following to wit: September 25, 1907. The court held the service of the summons a nullity.

Motion of insurer to amend granted below, here reversed by the Appellate Division of the Supreme Court of New York.

TIERNEY vs. HELVETIA SWISS FIRE INSURANCE COMPANY,
122 New York Supplement, 869. (June 6, 1910.)

1. Payment of Premium—By What Means Same May Be Made.

Payment of the premium may be made by property, note or an obligation of a third party. Where something other than money is accepted, the sole question is whether it was accepted as actual payment of the premium.

2. Same—Same—What Agent Has Authority to Accept a Substitute for Money.

An agent, authorized to make contracts of insurance, issue policies by countersigning and delivering them, and collect premiums, has power to accept notes of third persons in full payment of the premium.

3. Same—Same—Effect of Such Acceptance.

Where such notes are accepted and the maker is solvent, the policy cannot be thereafter avoided because the notes are not paid.

4. Same—When Policy May Not Be Avoided for Non-payment of Premium Notes.

The policy contained no provision rendering it void for non-payment of premium notes. In the notes, issued by a third party, was a stipulation that "my insurance" should be void as long as the notes were due and unpaid. The court held that, nevertheless, the policy was not avoided by non-payment of such notes.

5. Premium Notes—Where Same Must Be Presented If So Requested by Maker.

The maker in effect requested the insurer to send the notes to the local agent, where the insurance was effected, and collect them there. The insurer agreed so to do and acquiesced at the maturity of the first note, which was paid promptly. The subsequent notes were not similarly sent, and were not paid at maturity. The court held that the conduct of the insurer waived any right to insist on forfeiture for the non-payment of the subsequent notes.

6. Penalty for Non-payment of Loss—When Not Applicable to Cyclone Insurance.

The laws of Arkansas (Laws 1905, p. 307) provide that where a loss occurs and the insurer fails to pay therefor within the time specified in the policy, the insurer shall be liable, in addition to the amount of the loss, to pay the insured twelve per cent. damages upon the amount of the loss, together with the attorney's fees. The court regarded this statute as highly penal and held it not applicable to a loss caused by a cyclone, where a cyclone insurance company was liable.

Judgment for insured below, here affirmed in part, reversed in part, and dismissed in part by the Supreme Court of Arkansas.

HOME FIRE INSURANCE COMPANY vs. STANCELL,
127 Southwestern, 966. (June 8, 1910.)

1. Arbitration—When Not Required—Rule Stated.

A policy contained a clause providing for arbitration in case of a dispute as to the amount of the loss. The court held that such arbitration was not required unless estimates of the loss were furnished or offered by each party to the other and there was a disagreement between them as to such estimates.

2. Explosion of Powder—When Not Covered.

The fire was caused by an explosion of powder in an adjoining building, and the insurer maintained that the injury to the insured property from the explosion was greater than that from the ensuing fire. The court held the insurer not liable for the pay of the loss by the explosion.

Judgment for insured below, here affirmed by the Court of Appeals of Kentucky.

PHOENIX INSURANCE COMPANY vs. ADAMS,
127 Southwestern, 1008. (June 8, 1910.)

1. Materiality of Misrepresentations—What Statute Concerning Is Not Limited to Life Insurance Companies.

Article 3,096aa of Chap. 69 of the General Laws, 1903, of Texas, provides that any provision in any contract of insurance that answers or statements in the application or contract of insurance, if untrue or false, shall render the contract void, shall be of no effect, and be no defense in a suit upon the contract, unless it is shown on the trial that the misrepresentation was material to the risk, or actually contributed to the loss, and that such a question was one of fact. The court held that this language showed an intent not to limit its application to life insurance companies.

2. Same—Constitutionality of Statute Concerning Asserted.

The above cited statute does not violate Section 1 of the Fourteeth Amendment of the United States Constitution, regarding taking property without due process of law, nor regarding denying equal protection of the law to the insurance companies, for the statute on its face furnishes a sound basis for the classification of contracts of insurance.

Judgment for insured below, here affirmed by the Court of Civil Appeals of Texas.

SCOTTISH UNION & NATIONAL INSURANCE COMPANY vs. WADE,
127 Southwestern, 1186. (June 8, 1910.)

1. Subrogation of Insurer—General Rule Stated.

An insurer, which has paid a loss caused by the tort of a third party, may be subrogated to the rights of the insured and sue the wrongdoer in its own name for reimbursement.

Judgment for insured below, here affirmed by the Springfield Court of Appeals, Missouri.

FOSTER vs. MISSOURI PACIFIC RAILWAY COMPANY,
128 Southwestern, 36. (June 8, 1910.)

1. Action on Policy—When Prematurely Brought.

The policy provided that the loss was not payable until sixty days after satisfactory proofs had been received by the insurer. The formal proof of loss was objected to because of the failure

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to state the purpose for which the building was occupied at the time of the fire, and to attach the certificate of the magistrate as required by the policy. Within four weeks thereafter supplemental proofs were furnished. This action was brought forty-nine days thereafter. The court held the action prematurely brought.

Judgment against insured below, here affirmed by the Supreme Court of Pennsylvania.

MARINO vs. HARTFORD FIRE INSURANCE COMPANY,
75 Atlantic, 1037. (June 9, 1910.)

1. Agent of Insured—When Agent of Insurer Is Same.

An insurance agent to whom one makes a request for insurance, and who procures all, or part, of such insurance through agents of other companies, whom he does not represent, may be the agent of the insured.

2. Same—Effect of Taking Commission From Insurer, Stated.

The mere fact that such agent receives a commission from a company which he does not represent, for placing the insurance with it, does not make him the agent of that company.

3. Agent of Insurer—What Agreement as to Commissions Does Not Make Him Agent of Another Insurer.

The fact that the agent of one company has an agreement with the agent of another company to share commissions does not constitute each agent the agent of both companies.

4. Cancellation of Policy—What Notice to Broker Is Insufficient to Effect Same.

When the insured notifies his broker to cancel a policy, and the broker fails to do so, the policy remains in effect, for the insurer must be notified of the cancellation in order to make it effective.

Judgment for insured below, here reversed by the Supreme Court of Louisiana.

MORRIS MCGRAW WOODEN WARE COMPANY vs. GERMAN FIRE INSURANCE COMPANY,
52 Southern, 183. (June 11, 1910.)

1. Cancellation of Policy—When Insured Has No Right to Same.

A policy provided that the insured might cancel the same when the premium has been actually paid, and that the insurer in that case might retain the usual short rate from the date of the issuance of the policy to that of the cancellation.

The policy was issued for five years, and the premium was payable in five annual instalments of $19 each. The first was paid at the date of the policy. At the end of the first year the insured attempted to cancel the policy. The short rate for one year was $28.50. The court held that the insured was not entitled to cancel at that time without paying the remaining instalments or the short rate for one year.

Judgment against insured below, here affirmed by the Kansas City Court of Appeals, Missouri.

HOME INSURANCE COMPANY vs. HAMILTON,
128 Southwestern, 273. (June 15, 1910.)

1. Clause Against Incumbrances—When Agent Not Bound to Inquire Regarding Same.

A policy provided that it should be void "if the subject of insurance * * be or become encumbered by a lien of any nature whatsoever." The house was in fact encumbered. There was no written application, the questions and answers being oral. The court held that the agent of the insurer was not compelled to inquire of the insured whether or not any part of the property was encumbered with a lien.

2. Waiver of Clause in Policy—When Same Must Be Pleaded—Rule Stated.

That a waiver by an insurer of a breach of the conditions of a policy must be pleaded, in order to avoid the consequences of such breach, is well settled.

3. Same—Same—Inadmissibility of Evidence Concerning, Stated.

Where such waiver is not pleaded, evidence of the same is inadmissible, and, being admitted, furnishes no basis for a judgment.

4. Same—Effect of Not Pleading Same.

Where the undisputed evidence shows a breach of a condition in a policy, and the insured does not plead a waiver, the trial court should peremptorily instruct the jury to return a verdict for the insurer.

Judgment for insured below, here reversed by the Court of Civil Appeal of Texas.

MECCA FIRE INSURANCE COMPANY vs. MOORE.
128 Southwestern, 441. (June 15, 1910.)

1. Delivery of Policy—What Admission by Insurer Imports Same.

An admission in the answer of the insurer that it executed the policy imports the delivery thereof.

2. Arbitration Clause—What Denial of Liability Waives Same.

After the insurer receives the proofs of loss, an unqualified denial of liability constitutes a waiver of the clause in the policy providing for arbitration.

3. Proof of Loss—What Delay in Furnishing Same Does Not Effect Right of Action on the Policy.

The fire occurred on January 8, 1909. What purported to be proof of loss was made January 21, but it was not till May 25 that formal proof was made and received by the insurer. The court held that the delay did not effect the right of action on the policy.

4. Same—When Not Evidence of Insurable Interest.

Proof of loss is not evidence for the insured to show that he was the owner or had an insurable interest in the property at the time of the loss, but, if sufficient in form and substance, is evidence to show compliance with the provision of the policy requiring such proof.

5. Insurable Interest—Effect of Issuance of Policy Upon Proof of Same.

The issuance of a policy to the insured upon the property therein described is prima facie evidence that he had at the date of the delivery thereof an insurable interest in the property.

Judgment for insured below, here affirmed by the Supreme Court of Minnesota.

CASH vs. CONCORDIA FIRE INSURANCE COMPANY,
126 Northwestern, 524. (June 17, 1910.)

1. Evidence of Former Fire—When It Is Not Error to Exclude Same.

In this case there was no charge of fraud in causation of the fire, and the evidence against the same was clear and definite. The lower court excluded evidence that the insured suffered a fire of small amount about a year previous to the one here involved. The present court held that the exclusion was not error.

Judgment for insured below, here affirmed by the Supreme Court of Wisconsin.

CAPELLA vs. ROYAL INSURANCE COMPANY,
126 Northwestern, 547. (June 17, 1910.)

1. Subrogation of Insurer—Proper Method to Enforce Same, Stated.

The insured instituted her own action against the railroad to recover damages caused by fire from sparks from a locomotive, but in the action demanded only such damages as exceeded the amount of insurance already collected by her. Later the insurer filed what was termed a "supplemental complaint," setting out facts relied upon for its right to subrogation. In this latter complaint judgment was demanded for the entire alleged value of the property. The railroad company answered by a general denial and by alleging that there was another action pending. At this time the insurer moved to be joined as party plaintiff in the first action. The motion was denied. The present court laid down this rule, that, when the insured has instituted an action in his own behalf to recover only the difference between the loss and the insurance paid, the insurer should assert its claim to subrogation by a motion to be made a party, and to require the complaint amended so as to set out the facts upon which it claims the equity of subrogation. The court held that the procedure of the insurer was in substantial compliance with the proper cause, and reversed the order of the lower judge denying the motion.

This was a rehearing of the same entitled case in 67 Southeastern, 134, reported on page 366 of THE WEEKLY UNDERWRITER for May 7, 1910. The court here reached the opposite conclusion there announced.

Order denying motion of insurer below, here reversed by the Supreme Court of South Carolina.

EXPARTE PHOENIX INSURANCE COMPANY, MAYFIELD vs. SOUTHERN RAILWAY COMPANY,
68 Southeastern, 20. (June 18, 1910.)

1. Proof of Loss—What Denial of Liability Waives Same.

A denial by an insurer, within the sixty days allowed for the insured to furnish preliminary proof of loss, of liability on other grounds, is in legal effect a waiver of the conditions of the policy requiring such proof.

2. Same—Same—Who May Make Such a Binding Denial.

Such denial, to bind the insurer, must be made by some

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officer, or agent, having authority to make same. A local soliciting agent or an adjuster, not shown to have such authority, cannot bind the insurer by such a denial, or excuse the insured from compliance with the conditions as to preliminary proof.

8. Action on Policy—When Furnishing Proof of Loss Is a Prerequisite to.

Furnishing preliminary proof of loss, as required by the policy, is a condition precedent to any right of action thereon, unless waived by the insurer.

Judgment against insured below, here affirmed by the Supreme Court of Appeals of West Virginia.

MORRIS vs. DUTCHESS INSURANCE COMPANY,
68 Southeastern, 22. (June 18, 1910.)

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1. "Iron Safe" Cause—When Non-compliance With Justifies Non-suit of Insured.

A policy contained the usual "iron safe" clause. By the evidence introduced by the insured there had not been even a substantial compliance with this clause. The lower court non-suited the insured at the conclusion of his testimony. The present court held the non-suit not error.

Judgment against insured below, here affirmed by the Supreme Court of Georgia.

BUCHMAN vs. INSURANCE COMPANY OF NORTH AMERICA,
68 Southeastern, 71. (June 18, 1910.)

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1. "Sole Ownership" Clause—What Knowledge by Agent Avoids Breach Of.

A policy contained a clause providing it should be void if the interest of the insured was other than unconditional and sole ownership. Before issuing the policy the soliciting agent was told that the insured did not own the property, but held a bond for title. The agent stated that that would make no difference. He thereafter delivered the policy and received the premium. The court held that the knowledge of the agent was imputable to the insurer and estopped the latter from setting up the breach of the above clause.

Judgment for insured below, here affirmed by the Supreme Court of Georgia.

ATHENS MUTUAL INSURANCE COMPANY vs. R. H. LEDFORD & SON,
68 Southeastern, 91. (June 18, 1910.)

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1. When Loss Payable—Right of Insurer to Delay Demanding Appraisal Denied.

A policy provided that the loss should be payable within sixty days after proof of loss was filed, unless an appraisal were had in the meantime, in which case it should become payable within sixty days after the determination of the appraisers. The insurer did not demand an appraisal till fifty-five days after proof of loss. The court held that the true construction of this clause was that the insurer had a reasonable time, depending on the particular facts, to demand an appraisal.

2. Demand of Appraisal—What Delay Regarding Same Is Unreasonable.

The court held the above delay unreasonable, inasmuch as the insurer's adjusters had carefully gone over the premises within a week after the fire and at that time told the insured his claim was excessive.

3. Same—Same—When Such Facts Present a Question of Waiver to Jury.

The court held that at the very least the insured was entitled to the submission to a jury of all the facts to determine whether the insurer had not waived its right to have an appraisal.

4. Same—Effect of Bad Faith, Stated.

It was a question for the jury whether the demand was made in good faith; because if not, that would either be a circumstance bearing on the alleged waiver, or it would in itself absolve the insured from the obligation to enter upon an appraisal.

Judgment against insured below, here reversed by the Appellate Term of the Supreme Court of New York.

LANGSNER vs. GERMAN ALLIANCE INSURANCE COMPANY,
123 New York Supplement, 144. (June 20, 1910.)

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1. Change in Title—Effect of Breach of Clause Against, Stated.

A policy provided "if the property * * shall be sold or conveyed * * said policy shall be and become absolutely null and void." The insured property was certain chattels located in a hotel. The insured, subsequent to the date of the policy, sold the property to the owner of the hotel and informed the insurer thereof by letter. Subsequently the hotel owner hired and delivered the property to a third party, who later hired and delivered it to a fourth party. The insurer had no notice of the last two transfers. It was subsequent to the last transfer that the fire occurred. The court held that the said last two transfers avoids the policy.

2. Same—When Not Authorized.

The transfer by the insured of the possession of the property to the owner of the hotel did not authorize the transfer or change of possession to other persons.

Judgment for insured below, here reversed by the Supreme Court of Arkansas.

QUEEN OF ARKANSAS INSURANCE COMPANY vs. PENDOLA,
128 Southwestern, 559. (June 22, 1910.)

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1. Fraud in Shipment of Goods—When Question of Should Be Submitted to Jury.

The inventories and books kept by insured showed no entries of certain shipments made before the fire amounting to $578. The insured, however, stated the facts of these shipments to one agent, but gave no detailed information. To another agent he disclosed the character of the shipments, but not till after said agent had obtained information about them. The court held that it was not sufficient to submit the question to the jury as to fraud in the shipments of the goods, but that fraud in regard to the dealing of the insured as to the loss should also be submitted.

2. Fraud in Keeping Books—When Same Not in Purview of Statute Concerning Materiality of Misrepresentation.

Article 3096aa of Chapter 62 of Laws of 1903, of Texas, provides that any provision in any contract of insurance which provides that the answers or statements made in the application for such contract of insurance, if untrue, shall render the policy void, shall be of no effect, unless it be shown that the matter or thing misrepresented was material to the risk, or actually contributed to the loss, and that whether it was material was a question of fact. The policy required the insured to keep books presenting a complete record of business transacted, including shipments, and provided that on failure to produce such books the policy should become void, and the failure to produce should become a bar to recovery. The court held that the statute did not apply to the above provision as to keeping books, and that therefore the lower court should have directed a verdict for the insurer.

Judgment for insured below, here reversed by the Court of Civil Appeals of Texas.

HOME INSURANCE COMPANY vs. ROGERS,
128 Southwestern, 625. (June 22, 1910.)

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1. Clause Against Other Insurance—When Liability Under Same Is Fixed.

A policy provided that unless otherwise stipulated by agreement indorsed or added thereon, it should be void if insured then had, or should thereafter make or procure, any other contract of insurance on the property. The fire occurred on the night of December 2. About a week before the insured had taken out the above policy. At that time he had another policy which expired at noon on December 1. The agent of the company which had issued this latter policy renewed it on December 1 without the consent of the insured, but merely because he was an old customer. The court stated that it was shown that at the time of the fire the insured had contracted no insurance upon the property, except that represented by the policy in suit. What was done after the fire by the insured and abandoned could not have the effect of changing the above situation. This latter holding by the court referred to the fact that the insured, on advice of counsel, had, after the fire, tried to collect from the first company that would pay. The court held that the liability was fixed at the time of the loss.

Judgment for insured below, here affirmed by the Court of Civil Appeals of Texas.

ALLEMANIA FIRE INSURANCE COMPANY vs FORDTRAN,
128 Southwestern, 692. (June 22, 1910.)

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1. Names of Owners—What Knowledge by Secretary of Insurer Waives Clause Providing For.

The policy contained a clause providing "all property must be insured in the names of all the owners, and the application must state the name of each owner or the policy will be void." Under Section 2271, State of Wisconsin, the insured buildings, being part of the homestead, descended to the widow, upon death of the husband. The jury found that the secretary of the insurer,

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who wrote the policy, knew at the time the policy was written that the children were the owners of the real estate insured, subject to the homestead and dower rights of their mother, the insured. The court held that such knowledge was an effectual waiver of the requirement of the insurer, as regards title to the insured real property.

2. Increase of Risk—Construction of Clause Against Same.

The policy contained the clause providing, "If * * the risk should be increased by any means whatever within the control of the insured, or be occupied in any way whatever so as to render the risk more hazardous than at the time of insuring, such insurance shall be void and of no effect." In construing this policy the court stated: "It is not to be supposed that the insured has guaranteed that no improvements or changes shall be made anywhere in the vicinity of the insured property, * * but it is reasonable to exact an obligation from him that he shall not allow or permit a change to be made in the structure, nature or habitual use of the insured property materially different from that which the insurer has agreed to undertake. * * But trivial or temporary variations in the risk incident to the ordinary use of the insured property are presupposed by the contracting parties to be likely to occur. * * Insurance must be presumed to be made with reference to the character of the property insured and to the owner's use of it in the ordinary way, and for the purpose for which such property is ordinarily held and used, or to cover risks incident to such use."

3. Same—When Use of Steam Engine Does Not Present Question for Jury.

On the day the fire occurred the insured used a steam engine about 20 feet from the nearest building for the purpose of driving a feed cutter to cut ensilage. A few minutes before noon the spark arrester was taken from the smokestack, and at noon, when the engine was shut down, was not replaced. During the noon hour a fire was discovered in a barn some 60 feet from the smokestack. There was no direct evidence as to what caused the fire. The insurer contended the operating of the engine increased the fire hazard and prevented recovery. The court stated it was a matter of common knowledge that cutting fodder by steam was a very customary operation on farms, and that such a method was fairly within the contemplation of the parties. The court further stated that the clause in question had reference to some permanent change in the character or condition of the insured property and not a temporary change like the one in question. The court held it was not error to refuse to submit the question of increased risk to the jury.

4. Same—Same—Relation of Clause Against Threshing Machines, Stated.

The policy expressly provided that the company should not be liable for loss caused by the use of steam threshing machines unless a ladder was kept between the engine and the separator, one barrel of water and two pails were kept between the engine and the barn, and a watchman was always in attendance during the operation of the engine. The court construed this clause to mean that steam threshing machine engines should not be employed in the ordinary operations carried on around farm buildings unless the required precautions were taken. The temporary use in question did not violate this clause.

5. Clause Providing for Saving Property in Case of Fire—When Same Does Not Apply to Acts Before Fire Occurs.

The policy contained a clause providing that, "In case of fire, * * or exposure to loss or damage thereby, it shall be the duty of insured to use their best endeavors for saving and preserving the property." The insurer contended that by taking off the spark arrester the insured did not comply with this clause. The court held that it was manifest that this provision defined the duty of the insured when the property was on fire, or when it was so menaced by fire in its vicinity that damage was likely to result.

Judgment for insured below, here affirmed by the Supreme Court of Wisconsin.

SIEMERS vs. MEEME MUTUAL HOME PROTECTION INSURANCE COMPANY,
126 Northwestern, 669. (June 24, 1910.)

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1. Clause Requiring Insured to Save Property—What Conduct Is Not a Violation of.

The insured occupied three rooms in a tenement house. The apartment was gutted by fire, and the furniture and personal belongings were almost totally destroyed, though enough remained of some of it to enable a judgment to be formed as to its character in value in undamaged state. The firemen threw a considerable portion of the burned articles into the common yard. Immediately after the fire the insured abandoned the apartment and moved into a new one. The ruins, so the testimony ran, were not disturbed for three weeks, and in the interim agents of the insurer had called twice. A week or two later the appraisers called but found that the apartment had been cleaned up and closed, and the debris removed by persons unknown. The insurer maintained there was a breach of the clause that "in case of loss the assured will protect the property from further damage and exhibit it as often as required to the agents of the insurer." The court stated that it was unreasonable to demand the tenant of a few rooms, rendered untenantable by fire, to continue his tenancy for the mere purpose of guarding the débris. The court held the provision not violated.

2. Clause Requiring Insured to Exhibit Property—What Conduct Is Not a Violation of.

The court held the above conduct of the insured was likewise not a violation of the portion of the clause quoted requiring insured to exhibit the property as often as required to the insurer's agents.

Judgment against insured below, here reversed by the Appellate Term of the Supreme Court of New York.

FLYNN vs. HANOVER FIRE INSURANCE COMPANY,
67 New York Miscellaneous, 117. (June 25, 1910.)

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1. Allegations of Conspiracy to Burn Property—When Not a Sufficient Defense Under Policy.

A policy contained clauses providing that it should be void "in case of any fraud touching any matter relating to this insurance or the subject thereof," and "if the hazard be increased by any means within the control or knowledge of the insured." In an action on the policy the insurer alleged in its answer that the principal stockholder of the insured, a hotel company, who was also an officer and the manager thereof, had, shortly before the fire, fraudulently conspired that someone should be procured to cause the destruction of the property that the hotel company might recover the insurance, and, further, that while such conspiracy was in process of accomplishment the fire occurred. The court stated that though it must assume that a fraud was intended, yet the intention, not being connected with any injury, remained a mere mental project. A conspiracy, to be the subject of legal complaint, must reach the stage of development where an overt act is committed or some actual damage is occasioned. It must be put in execution and not remain in plan. The court held that the allegations constituted no defense under the terms of the policy.

Judgment against insured below, here reversed by the Court of Appeals of New York.

AMPERSAND HOTEL COMPANY vs. HOME INSURANCE COMPANY,
198 New York, 495. (June 25, 1910.)

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1. "Watchman" Clause—What Cessation of Business Is Not a Breach of.

A policy contained a clause in which the insured warranted "that at all times when the property * * shall be idle or inoperative a constant day and night watchman shall be kept on duty; and provided that if such property be idle or shut down for more than thirty days at any one time notice must be given this company and permission to remain idle for such time must be indorsed hereon, or this policy shall immediately cease and determine." On the trial it was stipulated that the property included a lumber mill and an electric light plant; that the mill was running during every business day till the date of the fire, but was not kept running on Sundays. The fire occurred at 9 o'clock one Sunday morning. The electric light plant was run every night, but was not run during the day, and was not running at the time of the fire. It was the intention of the insured at the time of the fire to continue to run both the mill and the plant as they had been run in the past. At the time of the fire no watchman was on duty, and none had been on duty for several hours prior thereto, nor on any Sunday during the life of the policy. The sole question presented on this appeal was whether the fact that there was no watchman on duty at the time of the fire on Sunday morning avoided the policy. The court held that the word "idle" was used in the same sense in both places, that the words "idle and inoperative" meant a state of disuse, and that the plant was not in such condition at the time of the fire as to require a watchman.

This is an appeal from the same case in 175 Federal, 508, reported on page 280 of THE WEEKLY UNDERWRITER for April 2, 1910.

Judgment for insured below, here affirmed by the United States Circuit Court of Appeals.

LIVERPOOL AND LONDON AND GLOBE INSURANCE COMPANY vs. TILLAMOOK LUMBERING COMPANY.
178 Federal, 161. (June 30, 1910.)

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Casualty and Surety Insurance.

(Continued from page 98.)

dent, C. H. Boyer, United States manager of the industrial department of the General Accident; first vice president, L. O. Chatfield, president of the Phœnix Preferred of Detroit; second vice president, T. Leigh Thompson, general manager of the National Life and Accident of Nashville, Tenn.; secretary, L. E. Brown, superintendent of the claim department of the Continental Casualty; treasurer, C. H. Brackett, president of the Hoosier Casualty of Indianapolis. Executive committee—Chairman, W. H. Jones, Equitable Accident of Boston; A. E. Forrest, vice president and general manager, North American Accident; R. R. Koch, president American Assurance of Philadelphia; J. B. Pitcher, president United States Health and Accident of Saginaw, Mich.; Harvey H. Shomo, secretary American Casualty of Reading, Pa.; Herman A. Behrens, general agent for the United States for the Pacific Mutual Life's monthly disability department, and F. L. Miner, president of the Bankers' Accident of Des Moines. The new dollar-a-month policy was discussed by the Conference, and final action upon it was postponed to a special meeting to be held at Niagara Falls early in October. The actuarial experts working over the policy were not ready yet to report. The Pacific Surety of San Francisco and Home Casualty of Detroit were admitted to membership in the Conference.

Last Tuesday's **meeting of the Surety Underwriters' Association** of New York City, held at the office of the American Surety Company, developed several interesting features. Specific charges, with full details, were made by the Brooklyn representative of the United States Fidelity and Guaranty Company, alleging that the Empire State Surety and the American Surety had been guilty of paying excess commission, rebating and paying commission to parties not licensed as brokers. The representatives of the Empire State Surety and the American Surety promised to investigate the charges and report at the next meeting of the local association. The association then took up the question of the "brokers' branch" of the National Surety Company recently established on William street, it being alleged that this was in violation of the rules of the Surety Association of America, which only allowed for five agencies in this city for each member and required that all brokerage accounts be settled at the head office. A resolution was offered and adopted calling the matter to the attention of the Surety Association of America, the National Surety's representative being the only one to vote in the negative.

The new **Wimberley law in Louisiana** has given accident underwriters food for thought during the summer months, and it is gratifying to note an announcement from New Orleans that the home industries committee of the Progressive Union of that city had voted to instruct the secretary to write accident insurance companies to the effect that the board of directors of the Progressive Union will take the matter up at its next meeting, and that an effort will be made to have the board secure the suspension of the enforcement of the law until the next meeting of the Legislature. Four prominent casualty companies have signified their intention of quitting business in Louisiana, and have already stopped writing policies in that State. These companies are the Great Eastern Casualty Company, the Empire State Surety Company, the United States Casualty Company and the Preferred Accident insurance company.

The **Ætna Life** of Hartford has issued an **additional benefit endorsement** attachable to the B and B M accident policies whereby the benefits are considerably increased. The two hundred week total disability feature is changed so that indemnity is to be provided so long as the insured shall live and continuously suffer total disability. The amount payable for partial disability is increased from two-fifths to one-half the principal sum. The double indemnity feature is extended to include accidents sustained by the insured while on the steps of running boards of railway or street railway cars, or accidents caused by the collapse of the outer walls of a building while the insured is therein, or by the explosion of a steam boiler, or by a cyclone or tornado. The beneficiary is covered under the same conditions for single indemnities. Hospital indemnities are added for a period of ten weeks.

Close upon the news of the establishment of a brokers' branch in New York by one of the local companies comes the announcement that the **American Fidelity of Montpelier** has reorganized its representation here, establishing a branch office under the management of Mr. Elmer J. Hoffer and Mr. William F. Whelan. The general agency formerly conducted by J. G. Cloud has been discontinued, Mr. Cloud having resigned as of July 31. The new branch office will handle the business of the American Fidelity in the metropolitan district and the territory formerly under Mr. Cloud's jurisdiction. Special agents will be appointed in the near future to look after Connecticut and New Jersey.

The Circuit Court at St. Louis, through Judge Withrow, has fixed the **appeal bond** in the Continental Assurance Company receivership case at $256,000 if it is to be carried to the Supreme Court. The appeal was asked by Harry B. Gardner, the secretary and promoter, from an order of the Circuit Court appointing a receiver for the Continental. The appeal bond in the International, twin company of the Continental, has been fixed at $25,000. The law demands bond double the amount of available assets.

Suit has been filed at Louisville, Ky., against the **Travelers Insurance Machine Company** and others by the Travelers insurance company of Hartford, Conn., asking for an injunction restraining the defendants from using the name "Travelers Insurance Machine Company" or any other name including the word "Travelers" in connection with the words "insurance" or "accident insurance." It is claimed by the petitioner that the similarity in names is causing confusion to the detriment of the Travelers insurance company.

A committee representing the various accident companies, with E. A. Hoffman, general agent of the Fidelity and Casualty, as chairman, is preparing a bill for the next session of the Missouri Legislature amending the statute which makes **suicide a bar** to the collection of indemnity under accident policies. Insurance Superintendent Blake is urging the elimination of the suicide statute.

At a recent meeting of the executive committee of the **Liability Insurance Association** of New York, held at the Plaza Hotel, this city, the date for the next annual meeting was set for October 19 and 20, immediately following the meeting of the Board of Casualty and Surety Underwriters. An attractive program is now being arranged.

There is a movement on foot to have the **Southern casualty companies** meet at Mobile, Ala., September 27, during the meeting of the national convention of insurance commissioners, to consider the organization of a Southern association.

Incorporation papers have been granted the **General Liability of Cincinnati**, with $3,000,000 capital, at Columbus, Ohio.

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The incorporators are W. S. Diggs, H. P. Cornelius, J. S. Spencer, Joel C. Lore and Otto Armeider. The company proposes to engage in the liability insurance business.

Alleging that the volume of the liability and burglary business written through its **branch office in Chicago** was not sufficient to warrant the expense, the **Empire State Surety** company of New York has decided to discontinue writing these lines at that place.

The operating headquarters of the **Consolidated Casualty Company,** which were removed from Chicago to West Virginia several months ago, will be removed to Louisville August 1, that being the home of President McChord.

Insurance Legislation.

Georgia.

Senate Bill No. 265, introduced by Mr. Thompson and referred to the General Judiciary Committee, provides that all foreign and home insurance companies doing business in this State shall pay 1 per centum on all premiums, in money or otherwise, received by them upon the gross receipts of such insurance companies on business done in the State for the year. (Provided that this shall not include return premiums on cancelled policies.)"

House Bill No. 1050, introduced by Mr. Heard, requires domestic fire insurance companies without capital stock to make deposits with the State for the protection of their policyholders.

Texas.

The Senate Rating Board bill introduced by Senator Hudspeth and others provides for a minimum rate to be charged by insurance companies, and allows companies to write business for any amount not exceeding the maximum. The bill retains the board feature of the old law, and authorizes the board to pass such rules and regulations as are necessary to fix reasonable rates of premium of fire insurance on property located in this State. The new bill also authorizes the board to revoke the license of insurance companies for the violation of the orders of the board. This, however, was not vested in the old board, but with the Commissioner of Insurance. The Commissioner of Insurance and Banking is made a member and chairman of the board.

The bill also provides that the maximum rate shall be arrived at by using the basis schedules of insurance companies in effect on December 31, 1909, or before the present law went into effect, and it also provides for a competitive basis of rates with the maximum rate. It is provided that nothing "herein shall be considered to deny the right of any company to reduce its rates to conform with any lower rate established or authorized by said board applying on the same character of risks under similar circumstances and conditions. The provisions of this bill do not deal with the collection of premiums, but each company shall be permitted to make such rules and regulations as it may deem just between the company and its agents."

Any person, firm or corporation shall have the right within thirty days in which to institute suit in Travis County to have any rate or regulation vacated or modified. Mutual domestic fire insurance companies are exempt from the law. Each company amenable to its provisions must furnish a bond of $10,000, payable to the Governor, for the benefit of the persons holding policies issued by it, but no bond shall be required of companies that confine their business to one county.

Miscellany.

The New York Life Insurance Company Will Write the New Limit This Year—Address to the Field Force by President Kingsley.

The president of the New York Life insurance company has addressed a letter to the company's field force, congratulating it on its July accomplishment and commenting on the justification of the passage of the amendment to the limit section of the Insurance Law. He says:

Your July work is the last word showing the folly and economic unsoundness of Section 96—*as it was.*

Without a dollar of addition to our fixed charges, with no increase in the cost of new business, our rate of production in the month just closed reached a level which will bring us by December 31 very close to the new limits fixed by Section 96—*as it is.*

Clearly, the greatest factor in producing the public opinion which reformed that section was the loyalty of the men who carry the ratebook.

People saw in you a body of men whose ranks held firm under extraordinary conditions. This was an impressive fact. It indicated a lot of things—all of which appealed to the innate sense of "fair play" which abides in the minds of every self respecting citizen of every land. No analysis of this section, no denunciation of it, would have reached very far if the agents of this company had not been able to write more than $150,000,000 a year. When we discharged 1,200 part time men last year and closed ten branch offices, having committed no offense except that they had been efficient—the public began to take notice.

It is not easy to get up much indignation against an abstraction. It wasn't easy to arouse legislative action against a law that was not directly injuring some company or group of men. That it discriminated directly in favor of one company did not and practically could not down the law; but a direct injury to a body of honest, earnest men was another story.

Your work since 1906 was the one fact that would not down. The public got hold of the fact that such devotion as yours was not common. You wouldn't quit. That the State denied you a right fully to exercise your powers didn't send you away to seek other opportunities. You stuck. You said in effect, "We believe that this law is wrong. We believe in the usefulness of our work. We believe in our company. We know that public opinion will correct the situation once the facts are understood, and it is a part of our business to make the public understand." You have succeeded, and all life insurance is your debtor.

In seven months you have paid for $91,000,000. Your accumulated energies on August 1 pushed this up to $93,000,000—or about at the rate of $159,000,000 for the year.

You and your leaders have been good enough to connect my efforts against Section 96 with the July production. I believe in that spirit—I even believe in the wisdom of adding some material recognition to the rewards of sentiment when men do extraordinary work; but another section of our Insurance Code says nay. (Some day that will go too, but we are too busy and happy just now to bother with it.) I am glad to have been able to centralize the satisfaction you feel over the final success of your patient efforts.

So far as July, in its results, was an expression of your feelings, it was more eloquent of my delight over your steadfastness through four dark years than it could be of any credit you give me for my part in the reformation of Section 96. Yours for the limit in 1910.

DARWIN P. KINGSLEY,
President.

Status of the Insurance Code for the District of Columbia.

(*Views, Washington, for August.*)

In response to a number of requests received at the office of *Views* for detailed information regarding the resolution adopted in the United States Senate to draft a model insurance code for the District of Columbia, we herewith present the following particulars:

Just previous to the adjournment of Congress, the Senate adopted a resolution authorizing its committee on the District of Columbia to prepare a code of laws for the regulation of insurance companies doing business in the District. Under its provisions this committee is to sit during a recess of Congress, employ experts, administer oaths, take testimony, send for persons and papers, and have its proceedings printed. After the

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code has been prepared under its direction it is to be presented to the Senate for consideration and adoption. The expenses of its preparation are to be paid out of the contingent fund of the Senate. It is to be further noted that this resolution is a substitute for Senate Bill 5353, introduced by Senator Bulkeley January 17, 1910, which was warmly championed by the insurance committee of the American Bar Association, the District commissioners and by various insurance organizations, and which provided for the creation of a commission, consisting of three qualified citizens of the United States, to be appointed by the President. This latter procedure was based on the ground that an insurance code prepared under the direction of the best insurance experts of the country, and afterward given the sanction of Congress and put into operation in the national capital, would best serve as a model for the States, and thus also potently influence uniform insurance regulations throughout the country. Suffice it to state, however, that as such designation must have struck a snag, probably in incurring opposition from the "insurgents," the Senate District Committee at the last moment decided that it would itself undertake its preparation through its subcommittee. Hence Senator Gallinger, chairman of the District Committee, reported the resolution that would allow that committee to carry out this plan. As under the rules of the Senate, on account of its provisions for meeting expenses, this resolution had to be first referred for approval to the Committee on Contingent Expenses, Senator Kean, its chairman, subsequently reported favorably thereon, after which it required only a minute to have the Senate give its assent thereto.

The appointment of Senator Morgan G. Bulkeley, of Connecticut, president of the Ætna Life of Hartford, as chairman of this Senate sub-committee, is, however, specially appropriate. It also inspires the hope that he will be successful in his fight for another term as Senator, as his experience and knowledge of insurance will be invaluable to the committee. Senators Gallinger, of New Hampshire; Burket, of Nebraska; Smith, of Maryland, and Fletcher, of Florida, are the other members of this sub-committee."

Program of the Next Annual Meeting of the National Association of Life Underwriters.

The executive committee of the National Association of Life Underwriters has completed the program for the next annual meeting of the National Association of Life Underwriters, which will be held at the Hotel Pontchartrain, Detroit, Mich., September 8, 9 and 10 proximo. There will be a meeting of the executive committee on September 7; a theatre party on Thursday evening, September 8; an automobile trip for the ladies Friday morning, September 9, and a trip on Lake St. Claire Friday afternoon. The banquet will be held Saturday night. The proceedings of the convention will be as follows:

FIRST DAY, THURSDAY, SEPTEMBER 8.

Morning Session, 10 o'clock.

Invocation—Rev. Frank S. Rowland, pastor Case Avenue M. E. Church.

Addresses of Welcome—Hon. Fred M. Warner, Governor of Michigan; Hon. Philip Breitmeyer, mayor of Detroit; D. A. Johnson, Esq., president Detroit Life Underwriters' Association.

Roll call of delegates.

Reading minutes of previous convention.

President's address.

Secretary's report.

Treasurer's report.

Executive committee report.

Local committee announcements.

Afternoon Session, 2:30 o'clock.

Address—Hon. James V. Barry, Commissioner of Insurance for Michigan (subject to be announced).

Discussion of Five Minute Topics—"How Best to Improve Our Service to Policyholders." "How Best to Obtain and Hold Agents Under Present Conditions."

Address—George T. Wilson, second vice president the Equitable Life Assurance Society, "The Mental Attitude."

SECOND DAY, FRIDAY, SEPTEMBER 9.

Morning Session, 10 o'clock.

Address—Hon. Theodore E. Burton, United States Senator from Ohio, "Interstate Commerce and Life Insurance."

Discussion of Five Minute Topics—"How Best to Overcome the Difficulties in Securing New Agents." "Does Not the Work Possess a Special Dignity?" "Is Not the Percentage of Success Greater in Life Insurance Than in Other Lines?"

New Business—Action of executive committee's recommendations. Presentation of resolutions or other business, to be referred, under the rules, to the executive committee.

Afternoon Session, 2 o'clock.

Address—Hugh Chalmers, president the Chalmers Detroit Automobile Company, "How to Hire, Train and Supervise Men."

Appointment of nominating committee.

Memorial to the late Stephen F. Woodman.

Discussion of Five Minute Topics—"Under Present Conditions, How Best May It Be Made Profitable to the General Agents to Keep a Field Man Traveling Through Territory for the Purpose of Appointing, Encouraging and Assisting Local Agents?"

Adjournment at 3:45 p. m. (sharp), by request of the Detroit Life Underwriters' Association.

THIRD DAY, SATURDAY, SEPTEMBER 10.

Morning Session, 10 o'clock.

Address—(speaker and subject to be announced).

Announcement of Prize Essays—"The Appeal That Persuades in Soliciting."

Presentation of the Calef Loving Cup and the Ben Williams vase.

Reading of prize essays.

Afternoon Session, 2:30 o'clock.

Report of nominating committee.

Election and installation of officers.

Unfinished business.

Selection of place for holding annual convention, 1911.

Adjournment.

Liability
Boiler
Plate Glass
Accident
Disability
Fly Wheel
Automobile Liability and Defence
Employers' Compensation
Insurance
Casualty Company of America
HOME OFFICE KUHN-LOEB BUILDING 62-64 WILLIAM STREET NEW YORK

EXCELLENT OPPORTUNITY
FOR
DIRECT AGENCY CONTRACT.
The Manhattan Life
INSURANCE CO.
of New York desires to make direct contracts, with good producers, for unoccupied portions of the following States: New York, New Jersey, Pennsylvania, Kansas, Idaho and Washington. The usual commission contracts with allowance for office expenses will be made. The policy forms of the Company are up-to-date, the premium rates are low and the annual dividends attractive.
Home Office: 66 BROADWAY, NEW YORK.

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HOME OFFICE OF THE

Metropolitan Life Insurance Co.

INCORPORATED BY THE STATE OF NEW YORK

The Company OF the People, BY the People, FOR the People.

PROOF OF PUBLIC CONFIDENCE

This company has more premium paying business in force in the United States than any other Company, and for each of the last 16 years has had more New Insurances accepted and issued in America than any other Company.

The number of Policies in force is greater than that of any other Company in America, greater than all the Regular Life Insurance Companies put together (less one), and can only be appreciated by comparison. It is a greater number than the Combined Population of Greater New York, Chicago, Philadelphia, Boston, St. Louis, Cleveland, Cincinnati, San Francisco, Pittsburg, Baltimore, New Orleans and Buffalo

ASSETS.	
Municipal and R. R. Bonds and Stocks	$123,346,161.39
Bonds and Mortgages	105,183,172.02
Real Estate	23,311,215.72
Demand Loans on Collateral	172,930.00
Cash	5,420,643.42
Loans to Policyholders	11,193,245.61
Premiums, deferred and in course of collection (net)	5,190,288.45
Accrued Interest, Rents, etc.	3,290,211.85
Total	$277,107,868.46

LIABILITIES.	
Dividends payable in 1910	$6,938,793.66
Reinsurance Fund and Special Reserves	237,213,384.00
All other Liabilities	3,053,470.82
Capital and Surplus	29,902,219.98
Total	$277,107,868.46

Largest Office Building in the World—Madison Avenue, Fourth Avenue, 23d Street and 24th Street, New York City.

SIGNIFICANT FACTS

This Company's Policy-claims paid in 1909 averaged in number one for every 63 seconds of each business day of 8 hours each and in amount $140.81 a minute the year through.

THE DAILY AVERAGE OF THE COMPANY'S BUSINESS DURING 1909.

456 per day in number of Claims Paid.
6,535 per day in number of Policies placed and paid for.
$1,463,755 per day in New Insurance placed and paid for.
$163,408.75 per day in Payments to Policyholders and addition to Reserve.
$132 172.72 per day in Increase of Assets.

OFFICERS

JOHN R. HEGEMAN.....President
HALEY FISKE.....Vice President
GEORGE H. GASTON....2d Vice President
GEORGE B. WOODWARD..3d Vice President
FRANK O. AYRES.....4th Vice President
F. F. TAYLOR.....5th Vice President
JAMES M. CRAIG.....Actuary
STEWART L. WOODFORD.....Counsel
WM. J. TULLY.....General Solicitor
FREDERICK H. ECKER.....Treasurer
WALTER STABLER.....Comptroller
JAMES S. ROBERTS.....Secretary
JOHN R. HEGEMAN, JR....Asst. Secretary
J. J. THOMPSON.....Assistant Secretary
T. R. RICHARDSON.....Assistant Secretary
GEORGE B. SCOTT.....Assistant Secretary
FREDERICK A. BETTS...Assistant Secretary
GEORGE C. PENHALLOW...Asst. Secretary
THOMAS H. WILLARD, M. D..Med. Direct.
AUGUSTUS S. KNIGHT, M. D..Med. Direct.
W. S. MANNERS, M. D..Asst. Med. Direct.
E. M. HOLDEN, M. D....Asst. Med. Direct.
D. M. GEDGE, M. D.....Asst. Med. Direct.

I. J. CAHEN.....Manager Ordinary Dept.
LEE K. FRANKEL, PH. D..Mgr. Indus'l Dept.
J. BERGEN OGDEN, M. D..Asst. Med. Direct.
JACOB CHADEAYNE..Mgr. Interm'd'e Branch

Paid to Policyholders since Organization, plus the Amount now invested for their Security, $527,223,523.83.
Number of Policies in Force, 10,621,679. Amount of Outstanding Insurance, $3,041,951,700.00.

A GREAT SIX MONTHS!

We closed the first half of 1910 with a rousing increase in new business over our record for the first half of highly prosperous 1909.

In policies and dividends we have what the public wants. In literature and canvassing aids we have what the agent wants. And back of all is a reputation gained from 50 years of activity as a Massachusetts Company.

If you are a genuine producer, a *delivering* producer, and wish to join our forces, address

GEORGE D. LANG, Superintendent of Agencies

MASSACHUSETTS MUTUAL LIFE INSURANCE CO.

SPRINGFIELD, MASSACHUSETTS

INCORPORATED 1851

National Life Insurance Co.

MONTPELIER, VERMONT.

Established in 1850. Operating in 36 States.

JOSEPH A. DEBOER, President.

FRED A. HOWLAND, Vice-Prest. OSMAN D. CLARK, Secretary.
JAMES B. ESTEE, 2d Vice-Prest. H. M. CUTLER, Treasurer.
A. B. BISBEE, Med. Director. C. E. MOULTON, Actuary.

This Company held January 1, 1910, and gained during the past decade:

ASSETS,	$47,490,998.98	- Gain, 167%
LIABILITIES,	41,661,130.12	- Gain, 162%
SURPLUS,	5,829,868.86	- Gain, 211%
INSURANCE,	161,423,115.00	- Gain, 79%

ABSOLUTE SECURITY AND ECONOMY OF MANAGEMENT

J. G. WALKER, President.
T. WM. PEMBERTON, 1st Vice-Pres. W. L. T. ROGERSON, 2nd Vice-Pres.
E. D. HARRIS, Secretary.

Organized 1871.

Life Insurance Company of Virginia

HOME OFFICE, RICHMOND, VIRGINIA

The OLDEST Southern Life Insurance Company.
The LARGEST AND STRONGEST Southern Life Insurance Co.
The PIONEER Southern Industrial Life Insurance Company.

Its policies are clear and definite in their provisions, and their values are absolutely guaranteed.

Assets, December 31, 1909	$5,372,691.99
Liabilities, December 31, 1909	4,312,405.32
Insurance in force December 31, 1909	68,337,613.00
Total payments to policyholders since organization	9,820,412.49

Get the "Success Germ"

Sell successful Life Insurance policies for a successful Company and win success for yourself. We will help you.

Write Us About An Agency.

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA.
Incorporated as a Stock Company by the State of New Jersey.
JOHN F. DRYDEN, President Home Office, Newark, N. J.

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NATIONAL POLICIES SATISFY THE PUBLIC

NATIONAL CONTRACTS SATISFY THE AGENT

Territory open. Write for terms.

THE CONNECTICUT MUTUAL

That means the best life insurance to have and the best to sell. If you can sell life insurance, you can sell more of it for the CONNECTICUT MUTUAL.

Men of character and ability are invited to apply.

CONNECTICUT MUTUAL LIFE INS. CO., Hartford, Conn.

Please mention this paper

1860 50TH YEAR 1910

HOME LIFE INSURANCE COMPANY

OF NEW YORK.

GEORGE E. IDE, President

ASSETS, $23,626,018.63 LIABILITIES, $21,858,691.52 (Including Deferred Dividend Fund)

Dividend-Endowment Fund (Deferred Dividends)	$2,119,044.00
Net Surplus	1,767,327.11
Insurance in Force	92,532,583.00

The Record for 1909 shows the following GAINS:

Insurance in Force	$4,164,239.00
Assets	1,917,117.00
Deferred Dividend Reserve	148,581.00
Contingency Reserve (Surplus)	655,149.17

OLDEST IN AMERICA STRONGEST IN THE WORLD

The Mutual Life

Insurance Company of New York

Mutual Life Agents Make Most Money Because Mutual Life Policies Sell Most Freely

For terms to producing agents address:

GEORGE T. DEXTER, 2d Vice-President,

34 Nassau Street, New York, N. Y.

[FIRE]

German American

Insurance Company

New York

STATEMENT JANUARY 1, 1910

CAPITAL

$1,500,000

RESERVE FOR ALL OTHER LIABILITIES

8,222,018

NET SURPLUS

6,440,211

ASSETS

16,162,229

GERMANIA

FIRE INSURANCE COMPANY

Organized 1859 NEW YORK

Cash Capital	$1,000,000.00
Assets	$6,562,889.14
Net Surplus	$2,008,419.02
Surplus for Policy Holders	$3,008,419.02

HEAD OFFICE: Cor. William and Cedar Streets

The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1910	$3,470,509.30
Total Liabilities, except Capital	1,920,837.24
Capital	500,000.00
Surplus to Policyholders	1,549,672.06

F. F. BUELL, Special Agent, Troy, N. Y.

Provident Life and Trust Co.

OF PHILADELPHIA.

The Provident has been particularly distinguished for the development of a highly trained force of agents. The systematic instruction which its agents receive has resulted in their being recognized as representatives of exceptional knowledge of the business and of marked efficiency.

Insurance Company of North America

FOUNDED 1792

232 Walnut Street, Philadelphia

Assets, January 1, 1909 ..... $12,014,062.63

LIABILITIES—Reserved for Reinsurance and all other claims	$7,263,156.97	
Capital Stock	3,000,000.00	
Surplus over all Liabilities	1,750,905.66	$12,014,062.63

Agents in all the principal towns and cities.

EUGENE L. ELLISON, President.

T. HOUARD WRIGHT, Secretary. HENRY W. FARNUM, Assistant Secretary.

BENJAMIN RUSH, Second Vice President. JOHN O. PLATT, Assistant Secretary.

Surplus to policyholders, $4,750,905.66.

Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

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PHOENIX

ASSURANCE COMPANY, LIMITED, OF LONDON
(ESTABLISHED 1782)

LOSSES PAID, OVER - - - $200,000,000

HEAD OFFICE FOR THE UNITED STATES
47 CEDAR STREET, NEW YORK CITY

A. D. IRVING, JR., SECRETARY — LOUIS P. BAYARD, PERCIVAL BERESFORD — JOINT MANAGERS

HARTFORD LIFE INSURANCE COMPANY

CHARTERED FORTY-THREE YEARS

GEO. E. KEENEY, President. THOMAS F. LAWRENCE, Secretary

1909 Policy Contracts are Participating and Non-Participating. Annual or Deferred Dividends—Rates revised and made lower, Values based upon the FULL RESERVE. Desirable Contracts for Producers. Address—

Second Vice-President, Home Office, HARTFORD, CONN.

1825. THE 1910.

Pennsylvania Fire Insurance Company
OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,349,097.67
Surplus	2,233,426.43
Total January 1, 1910	$7,332,524.10

E. DALE BENSON, Pres. — W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. — HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

INCORPORATED 1851.

Berkshire Life Insurance Company
OF PITTSFIELD, MASS.

All Policies issued by the Company are subject to the Massachusetts Non-Forfeiture Law.

JAMES W. HULL, President.
W. D. WYMAN, Vice-Pres. and Treasurer. J. M. LEE, Actuary.
THEO. L. ALLEN, Sec. ROBT. H. DAVENPORT, Asst. Sec.
Agencies in all the principal cities of the United States.

BRITISH AMERICA ASSURANCE CO., INCORPORATED 1833.

Head Office: TORONTO, CANADA.
UNITED STATES BRANCH.
JANUARY 1, 1910

Assets	$1,556,740.94
Liabilities	902,438.61
Net Surplus	$654,302.33

HON. GEO. A. COX, President. W. R. BROCK and JOHN HOSKIN, K.C., LL.D. Vice Presidents.
W. B. MEIKLE, General Manager.

Equitable Accident Company

161 DEVONSHIRE STREET, BOSTON, MASS.
"THE COMPANY THAT WORKS WITH YOU"

CAPITAL, - - - - - - - - - - $100,000.00
SURPLUS TO POLICYHOLDERS, - 182,372.07

Accident and Health Insurance
Commercial and Industrial Departments
Attractive Policy Forms—Liberal Commissions
WM. H. JONES, General Manager

QUEEN

Ins. Co. of America.

NEW YORK.

The Philadelphia Casualty Company

WALTER LE MAR TALBOT, President

Our New Accident Policy is Perfection
IT'S THE POLICY YOUR CLIENT WANTS
IT'S THE POLICY THAT'S EASY TO SELL

Personal Accident, Health, Liability, Automobile, Plate Glass and Credit Insurance.

AGENCY CORRESPONDENCE SOLICITED

The Columbian National Life Insurance Co. of Boston, Mass.

LIFE, ACCIDENT AND HEALTH INSURANCE
The Only Massachusetts Non-participating Company.

The New Columbian Policies are Unexcelled in Clearness and Liberality. Good Contracts and Territory for Good Producers.

ARTHUR E. CHILDS, President

COMMERCIAL UNION ASSURANCE CO.
LIMITED,
OF LONDON.

OFFICE:
Cor. Pine & William Sts., New York.

1894 1910

The State Life Insurance Company
Indianapolis

UNEQUALED IN SOLID ACHIEVEMENT
Assets Dec. 31, 1909, $8,580,830.58. Surplus 1909, $1,174,608.34.

GROWTH UNPARALLELED

	Gain in Admitted Assets	Gain in Surplus
1907	$1,001,409.00	$27,775.00
1908	1,023,700.00	158,161.00
1909	1,901,977.14	314,044.74

Eight Million Dollars in Securities Deposited With the State of Indiana.
This is $848,861 more than is required by law.

MOST ATTRACTIVE AGENCY CONTRACTS
Our Own Idea.
Every Contract Direct With the Company.
Scores of Good Men Have Joined the State Life Field Force since January 1, 1910.
On all Agency matters address: CHAS. F. COFFIN, 2d Vice-Pres., 1231 State Life Building

Insurance Brokers

PLACE YOUR

SURETY AND CASUALTY

BUSINESS IN THE

"Empire"

CAPITAL, $500,000

Business producers not now under contract wanted for open territory

Address AGENCY DEPARTMENT

THE EMPIRE STATE SURETY CO.

84 William St., NEW YORK.

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GOOD CONTRACTS TO LIVE AGENTS

LIABILITY AUTOMOBILE PLATE GLASS

New Amsterdam Casualty Company

D. CROSBY FOSTER

Manager Eastern Department

21 Market Street, POUGHKEEPSIE, N. Y.

ACCIDENT AND HEALTH PHYSICIANS AND SURGEONS BURGLARY

Unique in Accident Insurance

The Ætna Life Certificate, sold in connection with ÆTNA Accident policies, at the small cost of $5.00 per year, PAYS $250.00 FOR DEATH FROM ANY CAUSE, natural or accidental.

THIS IS A BIG SELLING POINT

ÆTNA LIFE INSURANCE CO.

Accident and Liability Department

HARTFORD, CONN.

For an Agency address WALTER C. FAXON, Vice-President

The Continental (Fire) Insurance Company

OF NEW YORK

To represent the Continental is to represent supreme loss paying power, square dealing, progress and success.

Why not apply for a Continental Agency?

HOME OFFICE: 46 Cedar Street NEW YORK

WESTERN OFFICE: 280 La Salle Street CHICAGO

HENRY EVANS, President

Incorporated 1855.

THE

JEFFERSON FIRE INSURANCE COMPANY OF PHILADELPHIA

In Business Fifty-four Years. Surplus to Policy-Holders, Over $450,000.

AGENCY DEPARTMENT, 425 WALNUT STREET, PHILADELPHIA.

AGENTS WANTED AT ALL DESIRABLE POINTS.

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The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

VOL. LXXXIII. NEW YORK, SATURDAY, AUGUST 13, 1910. No. 7.

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

THE meeting called for next Wednesday at Albany by the executive committee of the International Association of Accident Underwriters, to which representatives of all companies writing accident and health insurance policies in the United States are invited, is of the utmost importance to the business, as it involves some definite agreement as to standard forms of policies which shall hereafter be in use in New York. The result therefore is to be far reaching. Advantage will be taken of the proximity of the State Insurance Department to secure the advice and co-operation of Superintendent Hotchkiss, who is to be the final arbiter in questions of policy provisions under the new law. The occasion will afford companies the opportunity to modify troublesome clauses begotten by the stress of competition, to harmonize features that most appeal to the public, and to give all in the business an even start in selling the new policies. There should be no doubt of the fullness of the attendance at the conference.

THE unrestrained sale of firearms is a large factor in the hazard of life in this country, and is the subject of some forcible remarks by Judge Holt, of the United States District Court, in a magazine article, a portion of which we reprint. "It is a monstrous thing," says the writer, "that every insane man, every criminal, every passionate, quarrelsome, irritable man, every boy with a tendency toward a criminal life, every drunken brute who abuses his wife and family, should be able, without any legal restriction, to buy for a dollar or two, at every street corner, a deadly weapon." The judge insists that laws should be passed providing that all persons manufacturing or selling or purchasing and using revolvers should be licensed by a responsible board established for the purpose. There can be no question that since this kind of weapon has come into use that maiming and killing have enormously increased, and it is due to the ease with which the deadly arm can be procured. Were it difficult or nearly impossible to obtain, except under restrictive conditions, which would insure use only by trustworthy persons for purposes of defense, assassins by intent or sudden impulse would be deprived of the only convenient means of crime. Timely pertinence is given to those considerations by the shooting of Mayor Gaynor this week. Had a pistol not been in the possession of the malignant creature who committed the offense the idea of murder might not have occurred to his unbalanced mind. There are many thousands of possible criminals in every large community carrying concealed weapons which they ought not to be allowed to buy. When there is a law prohibiting indiscriminate selling there will be fewer accidents and deaths from firearms, and a corresponding lowering of the mortality rate of insurance companies.

A COMMON form of imposition on insurance companies is the requirement by law in a number of States, mostly Western and Southern, that they shall print their annual statements in one or more of the counties in which they transact business. A flagrant case in point is that of South Dakota, where the statements must be published in ten judicial districts at an annual expense to each of the companies of $222.15. The advertising is valueless, because people who are insured or want insurance can secure all the information they desire from the State Insurance Department, if not from their local agents. The requirement is clear "graft" for the small country weeklies, and their editors are influential enough with legislators to procure the passage of such laws. An unusual and unaccountable incident in this connection is the adoption of a plank in the platform of the South Dakota Republicans disapproving of the requirement and calling for its repeal. The local editors must have been napping when they allowed such a reform to get started in a party platform. It is recorded that they are making a loud outcry about it. Perhaps an excellent way to stop such mean pilfering is to teach the insured citizen that the local newspaper extortions are paid out of their own pockets in the premiums.

THE Governor of Texas succeeded in ousting Insurance Commissioner Hawkins from office after all. After the commissioner had made a two hours' impassioned speech before the Senate defending his administration and denouncing the Governor for "hounding" him, the Senators proceeded to settle the question of confirmation, and buried the commissioner by a vote of 7 against 22. Whereupon he ejaculated: "The Governor and the Senate have perpetrated upon me one of the greatest outrages ever perpetrated upon any citizen under any constitution ever written in the English language." Texas has a new insurance commissioner in one Frederick C. von Rosenberg, who is a lawyer, not hitherto known in connection with insurance. Meanwhile, the merry war goes on, the Senate Insurance Committee having reported a bill repealing the rating board law, with a preamble declaring that "a legalizing fire insurance trust exists in this State, whereby the people are filched of thousands of dollars above the sum necessary to carry on a fire insurance business in this State," and the Dallas Chamber of Commerce having, on the other hand, asked that all rating

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legislation be wiped from the statute books entirely. There is a conservative sentiment among business people in the State that may yet be heard, in spite of the violence in the Senate, and perhaps there will be a disposition among legislators to consider the proposal of Mr. Cochran, the Dallas fire underwriter, that the experiment be made of regarding insurance men as possibly honest citizens endeavoring to do business in an honorable way. Texas is a great State—it is intimated at the Census Bureau that it may slip into fourth place, passing Ohio in largeness of population—and it should cast off the narrowness of provincialism and put on the broadness of imperialism.

Facts and Opinions.

A handsome brochure has been issued by the **North British and Mercantile insurance company** in commemoration of its **centenary.** For attractive typographical makeup and interesting contents this little book is unique. White and gold is the color scheme for the cover. The pages are buff-on-white coated, giving a remarkably soft appearance to the numerous elegant half-tones with which the book is illuminated. A striking portrait of George, Fifth Duke of Gordon, the first president of the company, clad in the picturesque Highland costume, adorns the frontispiece. An admirable résumé of the company's history, from its organization in 1809 up to the present time, makes interesting reading, and an appendix containing the official rosters from time to time is likewise instructive because of the many prominent personages whose names appear therein as officers and directors in the company. The high standing which the North British and Mercantile has always enjoyed is in no small measure due to its record for fair dealing, and to its excellent underwriting policy known the world over. In concluding a sketch of the career of the company the compiler of the book says:

A hundred years have come and gone since the North British first sought the support of the public. During that time five British sovereigns have sat upon the throne; the Empire has mightily expanded in area and population, and still more in wealth and resources. The company has more than kept pace with this general advance. All along it has pursued the steady and upward tenor of its way, and looking back from the hundredth milestone, down the long vista to its starting point, the contrast between the beginning and the height now reached tells its own tale of enterprise and good management, and shows that the most sanguine hopes of its founders have been amply fulfilled. It is impossible to estimate the amount of misery that has been prevented or alleviated by the practice of insurance, but through the operations of the North British and Mercantile alone, losses suffered by the community through fire have been made good in the course of the century to the extent of £32,100,000, while by the life department provision has been made for families and dependants by the payment of claims amounting to £20,700,000, and old age has been comforted with annuity payments to the extent of £5,600,000. On the threshold of the second century of its existence the company looks forward with confidence to the future, resolved to maintain the traditions of the past and the prestige of the present.

Committees of the Chicago fire insurance agents are at work on plans for the entertainment of the delegates to the annual meeting of the **National Association of Local Fire Insurance Agents,** which meets in the Windy City September 12. 13 and 14. The program for the meeting has been practically completed, and includes such leading questions for discussion as "Fire Insurance Expenses," "State Rating Laws," "Uniform Blanks," "Trust Lines and Brokers" and "Qualifications for Agency Appointment." Those selected to speak on these questions are largely local agents, although several insurance commissioners have been invited to participate, among them Superintendent William H. Hotchkiss, of New York; Charles W. Barnes, of Kansas, and James V. Barry, of Michigan. The Chicago committee having charge has selected President Homer W. Stillwell, of the Chicago Association of Commerce, to deliver the address of welcome. The response will be given by F. G. Lumpkin, Columbus, Ga., vice president of the National Association. The first day of the convention, which opens Monday afternoon, September 12, will be taken up chiefly with reports of the officers and committees. At that time there will also be the usual appointment of committees on resolutions and nominations and the introduction of new business. The second day of the convention will have two sessions, morning and afternoon, comprised chiefly of open debates on the subjects designated, and provision is also made for the discussion of any question of general interest which the delegates may desire to introduce. The closing session is to be held Wednesday morning, when it is expected that Superintendent Hotchkiss will address the meeting.

At the annual meeting of the British Medical Association Dr. John Hoone read a paper on **deafness in relation to life insurance.** He said:

It was not possible to lay down hard and fast rules or even general principles of general application for accepting or rejecting candidates in cases of deafness and ear disease. What would be applicable to one would not be applicable to another. For example, a candidate not acceptable for life insurance might be accepted for accident insurance, and vice versa, while a third might be acceptable for both classes of insurance and rejected for any public service, using the term in a comprehensive sense to include the telephone company and the indifferent waitress at the tea shop. As regards deafness and ear disease in relation to life insurance, he would remind them that there was an increasing competition among life offices for business, and while they were always most anxious to exclude lives the acceptance of which would be an injustice to others insured, at the same time they were not desirous of turning away business. At times there had been a tendency to regard middle ear diseases a little too seriously in the matter of life insurance—in a word, the life officer had to temper medical science with business purposes. The difficulty consisted in an absolute want of reliable statistics upon which to base sound opinions. As to insurance against accidents, he thought it would be agreed generally that marked deafness in both ears and vertigo should call for increased terms for acceptance, if not for rejection. The suppurative forms of disease in the matter of insurance against accidents alone at first sight should not stand in the way of the acceptance of a candidate. With regard to the choice of a means of earning a livelihood, he observed that the most marked deafness need not be the means of preventing the earning of a livelihood; on the other hand it might be of considerable assistance in earning one. There was money to be made by not hearing too much.

The program for the first two days of the annual meeting of the **National Convention of Insurance Commissioners** at Mobile has been announced by the executive committee. The convention will be held from Tuesday, September 27, to Friday, September 30, and proceedings will begin every day at 9:30 o'clock sharp. The proceedings for Tuesday and Wednesday will be as follows:

First day—Convention called to order by President John A. Hartigan, of Minnesota; address of welcome by Governor Comer, of Alabama; address of welcome by Mayor Pat Lyons, of Mobile; response by Vice President E. A. McGivney, of Louisiana; roll call by Secretary H. R. Cunningham, of Montana; annual address by President J. A. Hartigan, of Minnesota; remarks by Commissioner Frank N. Julian, of Alabama; reports of committees; adjournment.

Second day—Reports of committees and presentation of formal papers, the subjects being: 1, "Uniformity in Rulings and How to Obtain Same," Commissioner McMaster, of South Carolina; 2, "Present Classification of Insurance in Various States," Commissioner Hardison, of Massachusetts; 3, "Discrimination in Life Insurance Policies," Commissioner McDonald, of Connecticut; 4, "The Savings in Life Insurance by Limitation of Expenses," Superintendent Hotchkiss, of New York.

During the convention a special committee will report on the ownership of the surplus from non-participating business by the Union Central Life. There will be executive sessions held behind closed doors also.

The **fire loss of the United States and Canada** in the month of July, according to the compiler for the *Journal of Commerce*, was $26.847,900. A comparison of losses in the first seven

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months of 1910, with those of the corresponding months of the two preceding years, is given below:

	1908.	1909.	1910.
January	$29,582,000	$22,735,000	$15,175,400
February	18,489,700	16,131,000	15,489,350
March	16,723,300	13,795,400	18,465,550
April	26,009,000	19,345,300	18,091,800
May	15,181,150	17,360,400	18,823,200
June	19,512,000	14,435,900	13,183,600
July	15,323,750	15,830,900	26,847,900
Totals	$140,820,900	$119,633,900	$126,076,800

The principal losses in July were: Campbellton, N. B., general conflagration, $3,500,000; Marinette, Wis., timber lands and sawmills, $1,200,000; New York city, steamship pier and freight, $750,000; Lakeville, Ill., grain elevator and brewery, $600,000; Waukegan, Ill., iron and brass works, $350,000. Our contemporary, remarking on general results in July, says:

It will be seen that July, 1910, shows a remarkable increase in fire loss over not only the same month in 1909 and 1908, but is, in fact, the worst month since January, 1908. The losses on lumber, lumber plants and timber lands in the Northwest and the Canadian provinces have been enormous, and to them and the Campbellton conflagration may be ascribed the serious increase chargeable against last month.

The roster of the **Western Insurance Bureau,** composed of non-Union companies, now contains thirty-nine names, as follows: Agricultural; American of Newark; American National of Rock Island; Boston insurance company; Camden Fire, New Jersey; Concordia; Connecticut Fire; Central National Fire, Chicago; Delaware of Philadelphia; Dubuque Fire and Marine; Farmers, York, Pa.; Farmers and Merchants, Omaha; Firemen's, Newark; German-American, Baltimore; German, Indianapolis; German, Peoria; German, Wheeling; Germania Fire, New York; Girard Fire and Marine; Insurance Company of the State of Illinois; Insurance Company of the State of Pennsylvania; Jefferson Fire, Philadelphia; Lumbermens, Philadelphia; Mechanics, Philadelphia; Michigan Commercial; Milwaukee Fire; Milwaukee Mechanics; National Union, Pittsburgh; Northwestern National, Milwaukee; Old Colony, Boston; Pittsburgh insurance company; Prussian National; Reliance, Philadelphia; Rochester German; Security, New Haven; Spring Garden; Union, Philadelphia; Western, Pittsburgh; Williamsburgh City. Five additional companies are being voted upon for membership. G. H. Batchelder, assistant manager of the O. C. Kemp general agency in Chicago, is secretary.

Exception to the reports of the receivers of the **Mutual Reserve Life** insurance company, and of Edward S. Rapello, special master, has been taken by Rowall Victor, of the law firm of Sullivan & Cromwell, on behalf of the French and Spanish policyholders of the defunct concern. According to the receivers' report, the assets are only sufficient to allow between 50 and 60 cents on the dollar to death claimants, leaving nothing for living creditors. Mr. Victor claims that there were on deposit in French banks free assets of the Mutual Reserve amounting to $41,000. There was also on deposit with the French Government $131,000 in the shape of a guarantee fund under the provisions of the French law. If the total amount could be used to liquidate death claims, outstanding claims in France could all be satisfied. The expert testimony is, however, that the Government deposit should be used to settle the reserve liabilities due living policyholders. Mr. Victor says that the foreign policyholders would get only about 20 cents on the dollar if they were not allowed to share in the distribution of the assets in this country. The exceptions of other groups of creditors, as well as those of the foreign policyholders, may be taken to the Court of Appeals.

The resumption of **the Nylic system** by the New York Life insurance company in consequence of the amendment of Section 97 of the New York insurance law and the approval by Insurance Superintendent Hotchkiss is announced by the company in a bulletin to the agents, in which Vice President Buckner says:

Chief Examiner Hadley, upon his investigation and examination into the affairs of the New York Life as far back as 1907, expressly commended the Nylic system, and referred in terms of praise to the great advantages accruing to the company through this method of compensating its agents. As a result of Mr. Hadley's report, which included a careful study of the progress of the business of the New York Life and the economy of its management, Superintendent Hotchkiss became convinced that the law should be amended so that Nylic could be offered to men who had not secured membership in Nylic prior to the passage of the Armstrong laws. Frequent conferences between the superintendent and his various lieutenants on the one side, and the officers of the New York Life, especially General Counsel McIntosh and Actuary Hunter, on the other, resulted in the drafting of an amendment to Section 97, which would permit the company to resume Nylic. This amendment recently passed the Legislature, and was signed by the Governor, as everyone knows. As a result we are able to announce in these pages that Nylic is again available for all whole time agents of the New York Life in the United States and Canada.

The members of the "Century Club" of the **American National Life** of Lynchburg, Va., are to be the guests of the company at an outing at Norfolk, Va., August 18 to 20, inclusive. The program will include visits to Old Point Comfort, Ocean View, Virginia Beach, Portsmouth Navy Yard, boating, bathing, fishing, etc., and will conclude with a banquet. The club is composed of the company's leading producers, as follows: Rank 1, first in volume—Joseph E. Garland, Virginia, president "Century Club" for next year. Rank 2, first in number of applications—C. C. Scurry, South Carolina, first vice president "Century Club" for next year. Rank 3, second in volume—E. Scott Martin, Virginia, second vice president "Century Club" for next year. Rank 4, second in number of applications—A. S. Abernathy, Texas, third vice president "Century Club" for next year. The following other agents of the company have qualified as members of the "Century Club": B. R. Harrison, J. H. Connelly, A. C. Parker, F. L. Jordan, Benj. Lyon, Sr., J. R. Laird, H. B. Gates, F. G. Spearman, S. L. Miller and F. W. Felkel.

A petition has been filed in the Civil District Court at New Orleans by 134 non-State insurance companies asking that the tax collector for the parish of Orleans be enjoined from collecting taxes assessed against insurance premiums due the company. The insurance companies in their petition allege that the policies issued in New Orleans and in Louisiana were **issued by brokers** domiciled there, who defray the expenses of their offices, and that they have no capital invested in that State, and that the premiums due are not the result of capital invested there. They deny the right of the Louisiana Legislature to localize such premiums away from the domicile of the petitioners, the State power of taxation, they declare, being limited to persons, property or business within the State, and declare that the laying and assessment of such a tax is a violation of the fourth amendment of the Constitution of the United States, which prevents the taking of property without due process of law.

The first survey of the **fire hazards in San Francisco** since the big fire of 1906 has been reported by the engineers of the National Board of Fire Underwriters. The report calls attention to the danger in the prevailing winds, which are strong. The frame sections in the west and southwestern portions of the city are characterized as conflagration breeders. The water supply is good, but the fire alarm service is unreliable. The report says in this connection:

Circuits nearly all overhead, often on poles with high tension wires. Underground cables partly in doubtful condition; to be replaced. A few recently installed boxes of satisfactory type; all others interfering and mostly with unreliable break mechanism. Many localities poorly protected.

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Keys generally detached in residential districts; key signs provided. Boxes generally inconspicuous; tests fairly frequent. Records of tests and troubles kept, but other records not complete. Department telephone system owned and maintained by public telephone company; about one-third of all alarms received by telephone; service good. Plans being prepared in conjunction with the auxiliary water supply system for a satisfactory fire alarm system, with headquarters in an isolated, fireproof building.

In the recent **case of the Ampersand Hotel Company** against the Home insurance company a motion to amend its answer by setting up further details of the alleged conspiracy claimed by the defendant's counsel to constitute overt acts, was made on behalf of one of the other defendant companies before Justice Van Kirk in the Supreme Court at Schenectady on July 15. The motion was argued on behalf of the defendant by Hartwell Cabell, of counsel for all of the companies interested in the Ampersand Hotel Company loss. The motion was opposed by William B. Ellison and Arnold L. Davis, of counsel for the hotel company. Mr. Justice Van Kirk has just handed down a decision in which the motion to amend is denied on the ground that the Court of Appeals has in effect decided that the matters alleged in the proposed amendment would not constitute a defence.

Some difference of opinion has existed between the insurance departments of **Texas and Arkansas** in regard to the construction of the anti-trust laws of those States as applied to the **Fidelity-Phenix merger.** According to the State Auditor of Arkansas, the Fidelity-Phenix is simply the result of a merger or reorganization of two concerns and is but a single corporation. A violation of the anti-trust law in Arkansas can only result where two or more companies work in a pool or trust, each retaining its entity as a corporation and operating under an agreement on certain material matters, such as the fixing of rates. The Fidelity-Phenix is licensed in Arkansas, and recent dispatches from Texas announce the reinstatement of the company in that State in consequence of the hearing given to Vice President Rumsey.

The Supreme Court at Oklahoma has rendered a decision in favor of the insurance companies in the case of the German-American vs. Fuller, **upholding the iron safe clause** in the policy. The evidence failed to show substantial compliance with this clause, and the court held that where the assured, in a policy insuring a stock of merchandise against fire, agrees to keep his books in a fireproof safe at night and at all times when his place of business is not open for business, or to keep them in some secure place not exposed to a fire, which would destroy the house wherein he kept said stock for sale, he cannot recover on said policy for a loss incurred if such books, inventories, etc., as he kept were destroyed at night while kept on a counter or in drawers in said building instead of in said safe.

The **planing mill** of the Great Southern Lumber Company at Bogulusa, La., which burned recently, with a total loss of $200,000 and no insurance was **not insured** because it was believed to be the best unsprinklered planing mill from an insurance standpoint in the country. The Chicago *Record-Herald* says:

It was built of steel on a concrete foundation, the girders all being of steel set in concrete. The floor was of heavy planking, resting on the steel girders, and the power was electric, with individual motors for each machine, with standard fire protection. The fire started early in the morning, either from a hotbox or an electric spark, and spread so rapidly that the night shift fled in panic without using the hose. When they recovered themselves and tried to fight the fire it had too good a start and the mill was entirely destroyed. The steel sides and roof and the girders were bent and melted into a chaotic mass, and dynamite had to be used to make possible the erection of the new mill.

With its latest weekly bulletin the New York Life encloses a copy of an illustrated pamphlet biography of **"The Presidents from 1789 to 1910** and a History of the White House." This little volume, kept in stock by the company, has come to be one of its standard documents and is much in demand for canvassing purposes. That past editions have been of educational worth is known from the many calls that have been constantly made for them by school teachers, parents and others, who stated in their letters that they wanted this information particularly to put before young people and others on account of the brevity and compactness of the facts and figures. The company wants it to be a household work and placed wherever it can be useful to agents in a reciprocal sense.

Charges made by one of the Denver newspapers **against Commissioner W. L. Clayton,** of Colorado, alleging neglect of the duties of the office to attend to private affairs, and the placing in charge of the department details of one of the department clerks, have been answered by Mr. Clayton. It has been known for some time among insurance men of Denver that Mr. Clayton accepted the office of insurance commissioner under protest; that his many business connections took so much of his time that he felt he could not do justice to the position; but Governor Shafroth was insistent and the appointment was made and accepted with the understanding that Mr. Clayton should be at liberty to devote sufficient time to his private affairs as would keep them from suffering.

In discussing the rumor which found circulation in New York this week to the effect that the **Continental** insurance company was **about to enter Canada,** President Henry Evans said to THE WEEKLY UNDERWRITER that it was true that he had given some thought to the matter, although no action has yet been taken one way or the other. The fact that the old Phenix was operating in the Dominion made it necessary to send a special agent there to settle up a few details connected with the recent Fidelity-Phenix amalgamation. Some interesting data developed, to which Mr. Evans has recently devoted considerable study. If the field looks profitable and of fair promise it is not unlikely that the Continental will enter Canada in the near future.

Papers recently filed in court by **Judge Donnelly,** former president **of the Ohio German Fire,** now in the hands of receivers, show that he and Secretary Prentice had purchased the title to the Chicago general agency formerly held by Adolph Loeb & Sons. Judge Donnelly claims that he and Prentice paid the Loeb agency $7,875 in cash and gave two notes for $3,927 each, receiving 301 shares of Ohio German stock and the title to the general agency for Illinois, Wisconsin, Minnesota, Iowa and Nebraska. One note was paid and the other is still outstanding and is the subject of a suit, and Judge Donnelly asks that after this note has been satisfied from the proceeds of the Chicago agency the remainder shall be applied to his account.

The Supreme Lodge of the **Knights of Pythias,** at its biennial session in Milwaukee, decided to re-rate the members of the fourth class, which includes all those who did not transfer their insurance to the new fifth class based on adequate rates. The change will take place January 1, and will involve a material increase. The bulk of the members transferred to the adequate rate class, leaving in the fourth class an unusual proportion of old members. In spite of several extra assessments the collections have been materially less than the death claims, and it was evident that unless some-

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thing was done the reserve fund for the benefit of the fourth class would soon be exhausted.

The Ferro Machine and Foundry Company, at Cleveland, Ohio, includes in its fire insurance policy form a clause providing that "in case of loss the finished stock product item to be **adjusted upon the basis of the market value** thereof to their customers at the time of such fire." Companies often approve the market value when writing wheat, and occasionally on sugar, lumber and other staples, the market price of which is well established from day to day. They object, however, to approving a clause which guarantees the insured the manufacturers' profit upon any stock which may be destroyed when it manufactures a special line of product not duplicated elsewhere.

In **July, 1910,** over 5,800 people applied for **new insurance in the New York Life,** while over 90,000 people paid their renewal premiums to it. There were 661 deaths of policyholders in July, classified as to causes as follows: Consumption, 74; pneumonia, 48; bronchitis, pleurisy, etc., 12; typhoid fever, 10; other diseases of digestive organs, 36; Bright's disease, 55; accidents, 38; apoplexy, 50; nervous prostration, congestion of brain, etc., 1; spinal disease, 18; heart disease, 70; diseases of arteries, 15; appendicitis, 13; rheumatism, 7; cancers and tumors, 38; paralysis, 30; diabetes, 11; liver disease, 18; old age, 4; blood poisoning, anemia, etc., 6; all other causes, 107.

Two large **fires raged in Boston** at the same time on Tuesday night and wiped out values of at least $1,000,000. One was in the lumber district, between Albany street and South Bay, destroying lumber and tenement houses and damaging business buildings and wood factories. The other fire burned the warehouse of the H. W. Johns-Manville Company, magnesia and asbestos manufacturers, at 55 High street, in the heart of the business district. The flames were very threatening at times in the lumber fire, and a repetition of the great conflagration of 1872 was apparently possible. A majority of the stock companies doing business in Boston are more or less interested in the results of both fires.

In a letter to the stockholders of the **Continental Life** and the **International Fire,** both of St. Louis, and both in the hands of a receiver, Mr. Harry B. Gardner, former secretary of the companies, offers to dismiss his appeal to the Supreme Court, resign as secretary and retire as a stockholder and fiscal agent of the companies, and surrender $50,000 of his commission claim, provided the contesting stockholders will dismiss the receivership proceedings. But it is understood that until Gardner has turned over the $17,000 deed of trust given to his wife, and which may lead to contempt proceedings, the contestants will not consider any compromise whatever.

In 1909 there were fifty-three **Japanese insurance companies** registered in Japan, having a capital of 57,680,000 yen (about $28,000,000). Of these 33 were life, 17 fire, 10 marine, 7 transportation, 1 fidelity and 1 steam boiler insurance companies. In addition to the Japanese insurance companies there were thirty-four foreign companies licensed to transact business in the country in 1909, of which four were life, twenty were fire, six were marine and four were fire and marine companies. The insurance act was passed in 1900, and there has been a notable advance in the insurance business of the country since then.

For **soliciting insurance business without a license** from Insurance Commissioner Button, of the Virginia Insurance Department, **Prof. John A. Hicks,** principal of the Big Stone Gap Summer School, was **arrested** and fined $30 in the police court of that municipality. The professor was working among the students of the summer normal school for the American National Life insurance company of Lynchburg, and his arrest was in consequence of instructions to the authorities from the Insurance Commissioner. It created a big local sensation.

The Delaware, Lackawanna & Western Railroad has begun the construction of a new type of **fireproof passenger station.** It is at Towaco, N. J., and is built of hollow terra cotta blocks. In its effort to make the structure completely safe the company has used materials, inside as well as outside, which have undergone strength and fire tests. The partitions, like the walls, are of terra cotta blocks, while the floors are granolithic—a preparation of cement and sand. The roof is slate.

It looks as though the date set for the **annual meeting** of the **Western Union** at Frontenac will be postponed a week on account of the meeting in Chicago of the National Association of Local Fire Insurance Agents on the same week as at present planned. The presence in Chicago of several hundred local agents from various parts of the country makes it desirable for the manager who may wish to meet them to be at home.

A new one on the New York street is the **United States Underwriters,** which has just begun business. It is composed of the North River, Nassau, Empire City and United States Fire insurance companies, each taking separate insurance to the extent of one-fourth of the total amount of the policy, which is written under a form approved by the New York Insurance Department. Crum & Forster are the general agents.

The Western Commercial Travelers' Association, a fraternal beneficiary organization of St. Louis, has been compelled to **increase the assessments** of the older members, who have been making utterly inadequate contributions. In the sixth class, which includes above age 45, the monthly assessment is $3 per thousand between ages 46 and 51, $6 a thousand between 51 and 56, and $10 a thousand above 61.

Another **attempted life insurance fraud** was thwarted this week by the arrest of Mrs. Cora Panghorn, who identified a body taken from the Passaic River as that of her husband. She then made a claim upon the Prudential insurance company for $1,000, the amount of insurance carried by her husband. Panghorn was discovered later on Blackwell's Island, N. Y., and his wife's arrest followed.

Chicago fire insurance premiums in the first six months of 1910 showed the Home of New York ahead with $322,168, followed by the Fidelity-Phenix, $209,746; National Fire of Hartford, $191,150; North British and Mercantile, $184,954; American of Newark, $174,608; Phœnix of Hartford, $169,734, and Connecticut Fire, $125,224. The premiums of other companies were below $100,000 each.

As a testimonial in recognition of the wonderful improvement in the company's condition during the past two and one-half years, the agents of the **Reliance Life** of Pittsburgh and the executive staff made a **special effort** for new business in July in honor of Robert T. Furman, the company's general manager. Over $1,756,000 in new business was written during July—a remarkable record.

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The **project of H. C. Stockdell,** of Atlanta, of a million dollar fire insurance company, to be known as the Merchants and Manufacturers insurance company, **appears to have been dropped,** as he announces that owing to existing financial conditions the subscription books will not be opened at present. Meanwhile he will do business as an adjuster of fire losses in the South.

South Carolina life insurance **agents** have formed a temporary **organization** with a view of later building a permanent State organization in September. A committee has been appointed to perfect the organization. Mr. H. France, of the Spartanburg agency of Crews & France, agents of the Volunteer State Life, is secretary of the committee.

The organizers of the **Peninsula Life** of Detroit announce that nearly one-half of the subscribed capital stock of the company has already been paid in, and that business will be started when $100,000 of the $150,000 has been paid in. The officers are Lawton T. Heman, president; J. C. Robinson, vice president, and Robert P. Orr, secretary.

For the better accommodation of its rapidly increasing business the **State Mutual Life of Worcester, Mass.,** has **extended** its **quarters** in its home office building, so that now two entire floors are reserved for the company's use. The extension has been gradual within the last year, but goes to show that they are doing things up in Worcester.

Since the recent **forest fires in Minnesota and Nebraska** companies have been flooded with offers of logs, poles, trees, bark and outside lumber. Most of the companies refuse to write this class, especially where it is subject to forest fires, but the owners, warned by recent losses, are pressing for insurance and are offering high premiums.

The secretary of the Consolidated Life Securities Company, **one of the Rhodus organizations,** opened headquarters in Chicago after the Rhodus outfit had removed to New York, and is trying to get holders of stock in the Central Life Securities, now in the hands of a receiver, to exchange for Consolidated Life Securities stock.

The details of the deal whereby the **Seaboard Fire** of Norfolk, Va., **reinsured** the **Homestead Fire** of Franklin, Va., show that the Seaboard has also purchased the part of the Homestead's securities which are in real estate mortgages, under an agreement which will protect borrowers from any sudden call on their loans.

Insurance against rain while the firemen's carnival at Basking Ridge, N. J., is in progress on next Saturday is reported from that thriving village. The insurance is said to be furnished by London Lloyds, and the policy is for $1,000, in favor of the management of the carnival, the premium being $100.

On and after August 10 the **interest rate on loans** to policyholders in the **Northwestern Mutual Life** will be increased to 6 per cent. This rate will thereafter apply to all existing policy loans which were originally made at that rate and upon which the rate was subsequently voluntarily reduced to 5 per cent.

The Chicago and Northwestern Railroad suffered a loss estimated at nearly $400,000 by the burning of its round house at Chadron, Neb., destroying a number of engines. The company **carries its own insurance risks,** insuring, however, a number of its large terminal properties in the stock companies.

The **Nashville Board of Underwriters** has dropped two of its most prominent members, Cooper & Polk and B. F. Fields, for violation of the board rules in establishing second agencies in the city and other alleged offenses. The board companies are being requested by circular letters to stand by its action.

A bill in equity has been filed at Pittsburgh by W. W. Wolfe and others against the Industrial Trust Company of that city for a receiver. Allegations are made of mismanagement, chiefly in connection with the financing of the **Union Life and Benefit** Association, a fraternal insurance concern.

The Missouri State Life has begun a contest among its agents running from July 23 to October 3 for attendance on a convention to be held at the home office October 3 and 4. Each agent who writes his allotment will be **entertained** during the convention **at the company's expense.**

Louisville fire insurance agents do not anticipate much trouble from the proposed campaign for a **reduction of expenses,** on the ground that there is very little brokerage business in Louisville, the only exception being in connection with whiskey written outside the State.

It was **not the German Mutual Life of St. Louis** which the German National Life took over, as was reported in the Western papers. The German Mutual is one of the oldest and most esteemed life insurance companies in the West, established fifty-three years ago and still growing.

The well known insurance agent at Waco, Tex., Gilbert Hay, is **organizing** the **National Exchange Fire insurance company.** The proposed capital stock is $700,000, and the surplus $350,000. The organizers hope to have the company ready for business by November 1.

The Republican primary elections in **Kansas** indicate the choice of Ike S. Lewis as the Republican candidate for State **Insurance Superintendent.** He has been the assistant superintendent under the last three heads of the Insurance Department.

The new form on the **St. Paul plant of Swift & Co.,** the packers, excludes the foundation, which would reduce the credit for coinsurance one-half, while the insurable value is not given as a fixed amount, which is required by law.

The jury which tried the **libel suit** of President Lloyd, of the Pacific Surety, against John C. Piver, publisher of the *Underwriters' Report,* of San Francisco, disagreed, standing six to six. The court set another trial for August 8.

Announcement is made by Insurance Commissioner Bell, of Kentucky, that he will act as attorney for **persons having grievances against insurance companies,** but who are too poor to employ lawyers.

A new arrival in New York is the **Michigan Millers Mutual** of Lansing, Mich., which has made its deposit of $200,000 with the State Insurance Department. Kelly & Fuller are its metropolitan managers.

The **Southern Tornado Insurance Association** has been permanently organized with the following officers: Henry E.

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Rees, president; E. G. Seibels, vice president, and Alexander T. Lumby, secretary.

New York is to have its first **automobile fire engines** in a few weeks. Fire Commissioner Waldo has announced that the first requisition will be made for four automobile hose wagons.

Organized under an expense ratio said to have been 11 per cent., the **Wisconsin State Life,** now to be known as the Guardian Life insurance company, will soon begin business.

At Oklahoma City the **Retailers Fire insurance company** has been chartered with $250,000 capital to insure against fire, hail, lightning or explosion by natural gas.

The semi-annual meeting of the **West Virginia Fire Underwriters' Association** will be held September 14 and 15 at White Sulphur Springs, Va.

The next meeting of the executive committee of the **Fire Underwriters' Association** will not be held until early in September.

The annual meeting of the **Life Underwriters' Association of Canada** will be held at Toronto September 5 to 7.

Personal.

AGENCY APPOINTMENTS.

Lloyds, London: Frank Gair Macomber, agent at Boston, succeeding the late Francis Peabody.

Prussian National Underwriters: Rose & Mayer, local agents at New Orleans.

Ocean Accident and Guarantee: J. Lehrenkrauss' Sons, agents for Brooklyn.

Mr. C. H. Boyer, whose election to the presidency of the Detroit Conference was announced in our columns last week, is well known in industrial accident insurance circles, where he has long been an active figure. He is the son of Rev. M. G. Boyer, D. D., and was born in Atchison, Kan. When two years old Mr. Boyer's parents moved to Markiesburg, Pa., where the family lived for twenty-two years. Mr. Boyer first engaged in the business of industrial, accident and health insurance as representative of the United States Health and Accident Company, of Saginaw, Mich., at Schenectady, N. Y. He joined the staff of the General Accident in June, 1903.

Mr. Frank Read, head of the firm of Frank Read & Son, general agents for the National Life of Vermont at Philadelphia, died at Rosemont, a suburb of the Quaker City, on July 28, after a long illness. The funeral was held August 1, and was largely attended by Philadelphians. The pall bearers were E. H. Plummer, of the Berkshire Life; A. H. Gseller, of the National Life at New York; P. G. Middleton; Dr. W. D. Powell, of Bryn Mawr; Robert Read, of Collingswood, and Henry T. Kendall, of Reading.

Mr. John C. Drury, of Raleigh, N. C., State agent of the Mutual Benefit Life, attained his fiftieth year on July 26, and received a surprise from his agency force in the shape of eighty-four applications, amounting to a total of $152,500 in new business, which is claimed to be a record for the South for one day's business. This business was entirely independent of the month's regular business.

Mr. John A. Hall, son of the late John A. Hall, former president of the Massachusetts Mutual Life insurance company, committed suicide at a hotel in Pittsfield, Mass., on August 7. He had been suffering from a nervous trouble for a number of months. He called a barber, and asked that he might examine his razor. Stepping into the bathroom he cut his throat.

Major James L. Foley, for many years manager for the Royal at St. Louis, and more recently at Cincinnati, died August 5, after a short illness from intestinal disorder. Mr. Foley was a veteran of the Civil War, and about seventy years of age.

Mr. W. D. Deane, secretary of the Columbia Fire of Athens, Ga., has resigned, to take effect September 1. He will then be associated, as managing underwriter, with the Augusta Fire insurance company, now under organization.

Mr. Ralph K. Hubbard, formerly controller of the Provident Savings Life, and later of the Federal Life of Chicago, and still later of Dr. Fricke's company at Wausau, Wis., has been in New York this week.

Mr. Winfield S. Weld, for many years cashier at the Illinois agency of the Berkshire Life, has been appointed superintendent of agencies at the home office, and will assume his new duties September 1.

Mr. Harry G. Casper, formerly a special agent for the Home insurance company of New York in Illinois, has taken a similar position with the German-American, with headquarters at Mattoon, Ill.

Mr. Henry Greisheimer, agent for the Pacific Mutual Life at Chillicothe, has been appointed general agent for the accident department of the Pacific Mutual at Cincinnati, covering southern Ohio.

Mr. George H. Henshaw has resigned as special agent for the Atlas of Des Moines in South Dakota. He will join the field force of the National Union in Iowa and Nebraska.

Mr. James W. Jones, senior member of the firm of Jones & Dunn, of St. Paul, Minn, died suddenly August 10. He was formerly president of the St. Paul Trust Company.

Health Commissioner Evans, of Chicago, will be one of the speakers at the banquet of the agents' association of the Equitable Life of Iowa, to be held in Chicago August 18.

Mr. M. S. Roberts, for more than twenty years local and special agent of the London and Lancashire at Eufaula, Ala., died at that place on July 20.

Mr. George A. Boissard, former vice president of the Western and Southern Life, has gone with the Wisconsin State Life of Madison.

Mr. George W. Slauson, a well known insurance man of Hagerstown, Md., died at that place August 1, aged forty-three years.

Dr. A. R. McKinnie, secretary of the Millers Mutual Fire of Alton, Ill., died August 4.

Casualty and Surety Insurance.

Unusual accidents of the week are as follows: A woman wearing a hobble skirt, in trying to run down an incline, fell and sustained a fracture of her left leg. Women, beware!

A young man while watching a ball game was struck in the eye by a batted ball, and on being taken to the hospital it was found necessary to take four stitches just above the eye.

A man in Texas, where the thermometer stood at 105°, crept under a heavy tarpaulin which covered a quantity of ice, and when found several hours later was frozen to death.

A man who had fallen on the tines of a pitchfork took hold of the handle and pulled it, and walked several miles to a physician for treatment.

A young man while camping pierced his finger with an indelible pencil, causing blood poisoning and the amputation of his arm.

A man after eating turtle soup became ill and died, and after an autopsy was performed a partially formed turtle, hatched apparently from an egg, was found in his stomach.

A five year old boy was attacked by a large rooster, and several gashes were inflicted in his forehead, and also a deep blood vessel was cut.

Two men were killed and seven seriously injured when an explosion occurred in a corn house, due to the large amount of corn dust floating about in the room where the men were sacking the corn.

A two year old baby, whose mother had given him a tablet to cure a cold, choked to death before the obstruction could be removed.

A driver of a truck when his wagon was struck by a trolley car was thrown to the street with such force that one of his ribs was driven through a lung, causing death.

A little girl while hanging her doll clothes on a rail of the fire escape lost her balance, and, falling five stories to the ground, died before reaching the hospital.

A man carrying an umbrella with a steel rod was struck by lightning, and the bolt, passing through his body, killed him instantly.

Seven men working on an automatic dumping car were thrown down a 30 foot embankment and buried under dirt and stones when the automatic lock became released and the car jumped the track.

A Long Island Railroad trainman, while drilling passenger cars in putting on the brake, was thrown between the cars face downward, and after several cars had passed above him it was found that he had not been injured.

A young man hugging his sweetheart broke one of her ribs, and was ejected from the house by her irate father. No cards.

A miner who was completely buried with a large boulder on his head directed his partners to get the rock from his head first, and after being removed to a hospital the surgeons think he has a small chance of recovery.

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After numerous meetings, involving seemingly endless. painstaking work on the part of the committee, the **basis schedules for liability insurance rates** under the new New York laws, which will go into effect September 1, have been practically completed. The final meeting of the committee was held at the office of the Ocean Accident and Guarantee Corporation on Wednesday, and a meeting of the liability underwriters was held this morning at the office of the Employers' Liability Assurance Corporation, at which the report of the aforesaid committee was received, and the new rates ratified. The new rates are based upon the combined experience of the companies, and it is interesting to note that the increases over the old rates for employers and public liability amount to anywhere from 15 per cent. to 500 per cent. This is due to the new feature of "compensation" provided by the new laws. While there will be no compact among the companies as to the enforcement of the new rates, and they will be accepted merely as advisory, there is little likelihood of any rate cutting for some time to come, because of the unknown waters through which the companies will be sailing. The new rates, while compiled with special reference to conditions in New York, are by no means to be limited in their application to this State. The whole question has been considered with the idea of furnishing a basis for liability and workmen's compensation rates that will be applicable in any other States where similar statutes may be enacted. At the time this paper went to press the liability underwriters were still in session discussing the situation in Ohio.

The United States Casualty, by Edson S. Lott, president, has addressed a circular letter to the liability insurance policyholders of the company, enclosing copies of the two new workmen's liability laws of New York, which have greatly **increased the liability of employers** and others, and notifying such policyholders that present policies do not cover the liability of the insured for compensation under the new laws. President Lott says:

The liability insurance policies you are now carrying provide indemnity against "damages" arising from accidents, whereas after September 1 you may become liable to pay "compensation" to persons injured. Broadly speaking, "damages" means the amount awarded (after the accident) by a court and jury in favor of the injured party against the party at fault, or the amount paid in compromise without a lawsuit, while "compensation" is fixed (by the new law) in advance of the accident and (practically) irrespective of who is at fault. No liability insurance policy heretofore issued by any company covers the liability of the assured for "compensation" under the new law. Your policies protect you against your present liability, and also your increased liability for "damages" after September 1, but do not cover liability for "compensation." We deem it only fair and proper to give you this notice, that you may be duly informed, and that you may provide yourself (on and after September 1) with protection against this new and additional liability for "compensation"—if you so desire. (All your present liability for "damages" will remain after September 1, while one of the new laws will on that date remove substantially all the defenses heretofore accorded employers, and on that date the other new law may add thereto compulsory liability for "compensation.") Your additional liability for "compensation" under the new law may be covered by specific insurance which we will issue under suitable conditions and at reasonable premium rates. We respectfully suggest that you communicate with your insurance broker, requesting him to negotiate with us for any additional protection you may desire.

Insurance against the caving in of mines is a new form of underwriting which is proposed by the People's Anthracite insurance company of Scranton, Pa., now in the process of organization. Over 400 subscriptions to the proposed capital stock of $1,000,000 and a surplus of the same amount have been secured. The organizing company plans to secure 2,500 subscriptions before making any attempt at permanent organization. When the stated number of subscribers is secured a stockholders' meeting will be held and organization effected. The company proposes to insure against fire and mine caves. The mine cave feature is comparatively a new idea in insurance, and will be figured out by experts who understand the conditions which exist in the anthracite coal region. The rates will be figured by them. The conditions existing at the present time in the anthracite coal region make the field for mine cave insurance a necessity for property owners, and it will be the only protection against damages caused by caves. John R. Wilson is acting president, H. E. Kimball seretary and A. E. Rogers treasurer of the organization committee.

In an interview on the employers' liability situation, as affected by the New York laws, President Lott, of the United States Casualty, had this to say of the **future of workmen's compensation legislation** in this State:

The employments named in the Workmen's Compulsory Compensation Law will be increased by each succeeding Legislature until all employments are embraced within the law. The insistence of those workmen and voters in employments not now covered by the new law, that their employment is also "especially dangerous," and should receive the same protection as is afforded other employments, cannot be ignored by our lawmakers. Some employments will come ahead of others, but finally all will be included. Indeed the report of the commission reads: "In the last ten years the conclusion has been slowly but surely generating in the public mind that present conditions as to employers' liability are intolerable. We are firmly of opinion that the time has come for the enactment of laws on this subject which shall be at least the first step to a satisfactory solution of the difficulties of our present system." And each Legislature will make amendments to the law. That is inevitable. So we shall have annual changes in our labor laws for many years to come. Perhaps it would be more correct to say that from now on for many years we shall have "one year" laws on the subject of employers' liability. Wise is the man who can accurately forecast what the ultimate result will be.

The rumor which originated in the columns of a Brooklyn newspaper, and rapidly spread through the insurance district this week, to the effect that negotiations were in progress looking to an absorption of the **People's Surety** by the American Surety, has been characterized by officials of both companies as without foundation of fact. On being questioned regarding what might have given rise to such a rumor, Vice President Henry C. Willcox, of the American Surety, laughed, and said that after the resignation of Mr. Sell from the People's one of the directors of that company, who is a personal friend of Mr. Willcox, requested him to lend his experience in straightening out one or two affairs about which the directors of the People's were in doubt. Consequently Mr. Willcox spent several hours on different occasions in the office of the smaller company, and this undoubtedly gave rise to the rumor above.

The **Union National Accident Company** of Philadelphia, which has heretofore been writing personal accident and health, burglary and liability insurance in Pennsylvania only, will, it is announced, drop all but personal accident and health, both commercial and industrial, devoting its energies to building up these lines. The company has secured the services of Mr. W. Vanwinkle as general manager. Mr. Vanwinkle was formerly assistant United States manager of the Norwich and London Accident Assurance Company until its retirement from this country. Prior to that he was with the United States Casualty Company as assistant manager of the personal accident department. Announcement is made of the intention of the Union National Accident to enter Ohio in the near future. Preliminary papers have already been filed at Columbus.

A call has been issued by the executive committee of the International Association of Accident Underwriters **for a meeting** at the Ten Eyck Hotel, Albany, N. Y., on next

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Wednesday morning, to which all personal accident insurance companies doing business in the State of New York are invited. The purpose is to consult with the New York State Insurance Department and to strive to agree upon standard policy forms which will be best for the business and acceptable to Superintendent Hotchkiss, who must decide under the new law upon the forms that can be used in the next year. These forms must be submitted to the department prior to September 1, and the action of the superintendent will be announced on or after November 1. It is expected that there will be a large representation of the companies present at the conference.

Volume 1, No. 1, of the **Ocean Log Book**, bearing the date September, 1910, has made its appearance, and will be published monthly by the Ocean Accident and Guarantee Corporation, Ltd., of London, England, from the American head office at 59 John street, New York. It bids fair to rival *Puck* and *Judge* for wit and humor. Its very first words are to the effect that "Automobiles divide the people into two classes—the quick and the dead." Its pages are filled with a crop of verdant jokes, though some, we know, have reached their maturity. The outlook for the success of the publication is a good one, however, in view of the fact that the publishers are offering $25 in gold for the best humorous story or anecdote, not exceeding one hundred words in length, submitted before September 30, 1910.

According to Attorney General Dana Malone, of Massachusetts, two or more **surety companies may not** jointly and severally **issue the same bond** or obligation in that State. In a letter to Insurance Commissioner Hardison he says:

Upon the whole, therefore, I am of opinion that the language of the statute is sufficiently broad to include a contract of indemnity as surety whether such contract be in the form of an official bond or of any other kind of bond, and that in the case of fidelity or surety insurance no sufficient reason is presented why the construction of such statute should be narrowed so as to permit more than one surety company upon a bond. This view is confirmed by the provisions of St. 1907, C. 576, Sec. 61, which treats of fidelity insurance and corporate surety, and provides that "if by law two or more sureties are required upon any obligation such company is authorized to insure, it may act as sole surety thereon. * *"

The North Eastern Agency Company of New York is actively pushing the sale of the **Tourists' Baggage Tickets** guaranteed by the St. Paul Fire and Marine insurance company. These tickets, which are similar in appearance and size to the accident tickets issued by the Travelers insurance company, are sold at railroad and steamship ticket offices and insure the purchaser's baggage against all risks and perils of fire, lightning, theft, navigation, transportation, collision, derailment; also in hotels, boarding houses, clubs, laundries, automobiles, yachts, etc. They cost 25 cents for each $150 worth of insurance, good for one week, and renewable up to twenty-six weeks.

The Attorney General of **Kentucky** in an opinion holds constitutional the law of 1906 which requires from all persons or companies doing business with **unauthorized fire insurance companies** an annual return under oath of all net premiums paid, with a tax of 2 per cent. thereon. The West Kentucky Coal Company raised the question, claiming that the United States Supreme Court had declared a similar section unconstitutional in a case carried up from Louisiana. The Attorney General says that the two cases were not similar, the tax not being on a foreign insurance company, but upon a citizen of the State.

Baltimore is to have a new surety company if the efforts of Henry G. Penniman, former president of the United Surety Company, are successful. The new company, which he is said to be organizing with the aid of the brewery and liquor interests, is to be known as the Chesapeake Guaranty Company, a Maryland corporation authorized to have $1,000,000 capital, and with charter rights to transact surety and all kinds of casualty insurance. The organizers propose to start business when a capital of $250,000 and a surplus of like amount have been secured.

The Illinois Employers' Liability Commission began holding sessions at East St. Louis on Wednesday. The commission is composed of twelve members, of whom six are employers and six representatives of labor. A tentative bill has been prepared providing for compulsory compensation for industrial accidents, with the alternative of recourse to common law remedies. Public hearings have been arranged for Rock Island, August 17; Peoria, August 20; Chicago, August 24 and 25.

The **Commercial Life Insurance and Casualty Company** is the name of a new company in Savannah, Ga., which expects to be writing business by September 1.

The rates on **automobile collision insurance** in Chicago written through **Lloyds**, London, have been arbitrarily increased on account of heavy losses.

A company which proposed to pay its members $1,000 upon **marriage** has been declined certificate of authority to organize in New Mexico.

Insurance Legislation.

Texas.

Senate Bill No. 3, by Mr. Hudspeth, to repeal the present Fire Insurance Rating Board law, and which was favorably reported from the Senate Insurance Committee, was as follows:

Section 1. That Chapter 18 of the General Laws of the Thirty-first Legislature, page 311, relative to fire insurance companies, prescribing conditions for transacting business, be and the same is hereby repealed.

Sec. 2. Owing to the fact that a legalizing fire insurance trust exists in this State, whereby the people are filched of thousands of dollars above the sum necessary to legitimately carry on a fire insurance business in this State, and owing to the further fact that the said fire insurance companies are proposing to contest a reduction in the rate made at the last hearing of the Fire Rating Board, thereby causing an interminable litigation, creates an emergency and imperative public necessity that the constitutional rule requiring bills to be read upon three several days be suspended, and it is thereby suspended, and that this act shall take effect from and after its passage.

A minority of the committee reported a substitute bill amending instead of repealing the present law.

The Senate has yet not acted upon these majority and minority reports.

There are three new Rating Board bills before the Legislature: Senator Hudspeth's, the text of which was printed in Extra Bulletin 1789, House Bill No. 7, by Mr. Cureton, and House Bill No. 8, by Mr. Terrell.

AUSTIN, August 9.—The House Insurance Committee reported favorably today a substitute bill for the Cureton and Terrell fire insurance bills. The committee bill creates a State insurance board to be composed of the Commissioner of Insurance and two other members, to be appointed by the Governor, with the consent of the Senate, one for a term ending August 1, 1911, and the other for August 1, 1912, and biennially after the expiration of the respective terms of office. The bill gives the board power to make fire insurance rates.

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Miscellany.

The Situation in Texas.

The State Senate on August 2, voted on the Governor's nomination of William E. Hawkins for Commissioner of Insurance and Banking, and refused to confirm it by a vote of seven for to twenty-two against confirmation. He had on a previous day addressed the Senate for two hours in defense of himself against the Governor's charges, and apparently had made a favorable impression. The result of the vote on his confirmation was therefore a great surprise to himself and his friends. In a statement which he subsequently made, he said: "The Governor and the Senate have perpetrated upon me one of the greatest outrages ever perpetrated upon any citizen under any constitution ever written in the English language and the outrage upon the people of Texas is as great as upon me." It is expected that Mr. Hawkins will now seek vindication by the people of the State by running for some State office two years from now.

After the rejection of Mr. Hawkins the Governor sent to the Senate the nomination of Frederick C. von Rosenberg, for Commissioner of Insurance and Banking, and he was immediately confirmed. The new official went over to the insurance department as soon as he received the notice of his confirmation and was met pleasantly by his predecessor, who turned over the office to him. He is an Austin lawyer, a graduate of the Agricultural and Mechanical College of Texas, and has practiced his profession at the State capital since his graduation. He is a member of the State Mining Board, but has not hitherto been known to have had any special connection with insurance matters.

The State Senate gave a series of hearings on the Hudspeth rating board bill, which is practically an amendment to the present law. At one of those hearings Mr. G. R. Scruggs, of Austin, appeared for the insurance companies and made an argument for an unrestricted fire insurance business in Texas. A report of the hearing says:

G. R. Scruggs, of Austin, representing seven fire insurance companies doing business in Texas, spoke against the Hudspeth bill, indorsing S. P. Cochran's statement that the people of Texas were satisfied with rates received before the present law was made and the companies compelled to raise rates. He said that towns ought to pay in proportion to other fire records, and if a maximum rate is adopted it will have to be high enough to cover the most hazardous towns. He urged that the companies be left entirely free of restrictive rate laws, and allowed to fix schedules in accordance with the condition of each locality. As to insurance companies withdrawing business, Mr. Scruggs said that the 25 per cent. reduction throughout the State ordered by the State Board is damaging in many localities, where its enforcement will result in rates far too low for the risk. He expressed the opinion that if the present law is repealed rates will go down immediately and substantially, as the 124 companies after business in the State must protect themselves in keen competition, and present schedules would be obsolete within six months. Mr. Scruggs also responded to several questions on the methods of fixing schedules.

Chairman Hudspeth and Mr. Scruggs argued extensively whether or not there is an agreement between companies and agents not to cut rates, Mr. Scruggs denying a statement to this effect absolutely. He then explained the make-up of basic schedules at the request of the chairman.

A. J. Eilers called on Mr. Scruggs for an explanation of coinsurance clauses in contracts. Incidentally, in answer to the chairman, Mr. Scruggs said that the public opinion of insurance men is that they are the worst class of outlaws and outcasts in the State, simply because people cannot understand insurance or its agents, and most of them don't want to understand. He asked for an opportunity to be heard on the provisions of any new law that may be passed, if the present law is repealed, and pleaded with the committee "not to pass a worse law than now exists," that the small companies may not be driven out and a few large corporations absorb the entire insurance business of the State that can afford to go on under low rate restrictions. He told Senator Harper that the rate of 1909 would in all probability be a satisfactory maximum rate to the companies.

The Dallas Chamber of Commerce held a meeting last week and adopted the following resolutions:

Whereas, The Governor has called a special session of the Legislature and requested the repeal of the present law establishing the Fire Insurance Rating Board; and,

Whereas, We believe that the law should be repealed;

Resolved, That the directors of the Dallas Chamber of Commerce, in regular session assembled, do hereby unanimously indorse the action of the Governor of the State of Texas in calling for the repeal of this law; and be if further

Resolved, That in our opinion the State is not ready at this time for further legislation in fire insurance matters if the present law is repealed.

Of present legislative indications a late Texas special dispatch says:

Present indications are that no radical changes will be made in the Texas fire rating law, although the large insurers who got rebates under the former method are urging that the law be repealed and the old competitive régime re-established. The Insurance Committee of the Legislature has evidently been impressed through its investigations with the fact that there are some good points in the new law which should be preserved in any changes which are made.

It is conceded that the new bill will continue the present requirements that all premiums must be paid in cash. The committee will probably decide that the State lacks both the expert knowledge and the financial strength to undertake the work of making rates, the companies having testified that the work so far done by them in the State under the new law cost $225,000, and that it would have cost at least $400,000 to complete the work. It is probable that the new proposition will be to have the companies continue to make the rates, but with the power of review fixed in a commission.

The Fire Rating Board on Monday announced its decision that the recent order for the reduction of rates does not apply to policies issued prior to July 11. In consequence of this several companies have resumed business.

Contingent Fire Insurance Commissions Discussed by Henry Evans.

President Henry Evans, of the Continental Insurance Company, has explained his views upon the advantages of contingent commissions in compensating agents in the fire insurance business to Insurance Commissioner Barry, of Michigan, in the following letter:

Dear Sir—Replying to your favor of June 27 (reaching this office during my absence in Europe and since delayed by reason of work that had to be disposed of), regarding the wisdom of compensating fire insurance agents on a contingent or profit-sharing basis:

An insurance agent works out of sight and, having binding powers, can obligate his principal, the company, to assume any risk he sees fit to write. The risks of large value are generally inspected and reported on by salaried employees of single companies or combinations of companies, but the risks of small value cannot be inspected by such persons, except at such great cost as to preclude the possibility of profit unless the rates are very largely increased over the present basis.

Such being the conditions, much business is written by companies without true knowledge of the physical or moral hazard assumed, and often without regard to the market value of the property covered.

A very large percentage of the insurance agents are honest and intend to do the right thing; but human nature is the same in all callings, and where the agent is not interested in the profit result the tendency is to err on the side that puts money in his pocket. It follows that business is written that should be declined, either because of physical or moral hazard (which becomes very serious when coupled with full or over insurance), and a fire resulting from such conditions may destroy much other property.

When the agent is compensated fairly by a flat and contingent or profit sharing commission he becomes an underwriter, watching new construction, fire fighting facilities, moral hazard, over-insurance and the physical or fire breeding condition of each risk.

In the conduct of the business of the Continental insurance company we have where possible interested agents in the profits of the business, and we believe we know that the result has been beneficial to us, and to some extent to the public.

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Under its "police powers" it would be possible for any State to enforce a law making all companies pay agents a flat and contingent or profit sharing commission, such commission to cover all compensation the agent is to receive, the contract conditions being covered by a standard form of agreement, which would be necessary in order to prevent extra payments for the purpose of buying business.

If this were done, and all companies were obliged to compensate agents in this way, the result would be, in my opinion, a decided reduction in losses due to the moral hazard, the burden of which has to be borne by the honest insurer; a gradual improvement in building conditions as well as fire fighting facilities, and an early and marked improvement in physical or fire breeding conditions.

I also think that there would be an improvement in the class of men acting as agents, the ignorant and unreliable being forced out.

If I am right, the fire waste would be reduced, competition would force the rates paid to insurance companies down, and the public would benefit, first, from a lessened fire waste, and, second, from lower rates.

If it were in my power to control such matters, not as an insurance man but as a citizen having knowledge of the subject, and desiring to serve the public, I would

1. Have every rate made by the application of a detailed schedule (modeled after the universal mercantile schedule) that penalized dangerous conditions and gave credit for unusual safeguards.

2. Make every company conduct its business on the profit sharing basis under proper restrictions.

3. Have every fire investigated, holding the property owner to a strict accountability, and the agent writing the insurance, also, if it developed that he had willfully granted overinsurance.

I believe that valued policy laws are against public policy; but if they must be enacted, I submit that any payment made in excess of the actual market value of a piece of property should go to the State and not to the individual.

I enclose herewith a pamphlet printed by this company some years ago on the subject of "Contingent Commissions"; also a copy of the universal mercantile schedule, and I am,

Yours very truly, HENRY EVANS, President.

The article on "Profit Sharing Commissions," to which Mr. Evans alludes as having been published by the company several years ago, was written by former President F. C. Moore. It is as follows:

PROFIT-SHARING COMMISSIONS TO FIRE INSURANCE AGENTS—WHY THE STATE SHOULD ENFORCE THEM.

First—From the community viewpoint—public policy.

Every business should be conducted by those engaged in it in such manner as not to cause loss or injury to those of other callings ,and every man owes it to other citizens to give them the benefit of what he has learned in his calling tending to the public safety. He owes this to his fellow citizens because they contribute to his success in his particular calling. It is the law natural of community. Those engaged in the business of fire insurance learn more about the causes of fires, their prevention, control and extinction than those engaged in any other business. They know how a building should be constructed to prevent the spread of fire and to ensure its control, if not its rapid extinction. They know most about extinguishing appliances. It is the local agents in the cities and towns throughout the country who can best inspect and supervise the various properties in their localities. The companies cannot afford to send men to inspect and supervise.

As insurance agents naturally work for their own interests, they should be so compensated that they will make more money in proportion as they inspect carefully and supervise faithfully and they should not be compensated so that they make not only as much, but sometimes actually more, money if they insure anything and everything—and whether their agency is profitable or not to their companies.

A single company cannot accomplish much by paying its own agents on a profit sharing basis, for their risks may be burned by other buildings insured by other companies whose agents are neglectful. Therefore, the Legislature ought, in the public interest, to require that no fire insurance agent shall be so paid by his insurance company as to make him indifferent to the public safety. He knows better than his company the character of those he insures, and he only can avoid the moral hazard of dishonest or careless property holders.

If all insurance agents throughout the country were compensated by a profit sharing commission, buildings would be better built, better protected, better provided with fire extinguishing appliances and better managed as to cleanliness and features which cause fires. And the fire losses of the country would be reduced by millions of dollars, and the result would be lower rates of insurance, and, at the same time, greater profit to the insurance companies themselves. Probably one-fourth of the annual fire waste is preventable, and, therefore, unnecessary, tending to financial and commercial disaster.

The arguments advanced by some that an insurance company cannot tell what it may owe at any time in contingent commissions unpaid and unascertaned, and that an agent who loses in the first part of the year for one of his companies would thereafter work for his other companies, are fallacious, for both arguments are answered by the law of average and by computed figures at the command of those who advance such arguments.

If the legislators of the country realized what a serious matter to all citizens the present plan of compensating fire insurance agents is they would prohibit any fire insurance company from paying its agents on any basis which does not interest them in results, and in preventing the enormous unnecessary fire waste. It is one of the greatest economic problems of the day.

F. C. MOORE.

British Life Companies Have $5,000,000,000 of Insurance in Force.

The annual volume of the British Board of Trade containing the accounts of British life insurance companies for 1909, having been issued, the *Review* of London makes up from it an interesting summary of their business at the close of 1909, which appears below: The companies had £1,095,863,310 ordinary and industrial insurance in force. By way of comparison it may be mentioned that American life companies had $15,000,000,000 in force, or, including fraternal and other assessment business, about $24,000,000,000 in force. Germany had about $1,500,000,000 in force and France about $750,000,000; Russia only $62,000,000. The world's life insurance at risk may be estimated at about $33,000,000,000.

Taking the figures of ordinary companies, we find that the premiums received amounted to £27,937,702, while the claims absorbed £22,113,564. In addition to this enormous amount of money the sum of £12,341,281 was received in interest and dividends, while, on the other hand, commissions paid amounted to £1,594,502, and expenses of management to $2,321,362. There is one important item in these returns which shows very clearly the financial depression of late years—the decrease in the value of investments was £1,228,950, an amount which represents an immense loss to the companies. The balance at the end of the year was nearly ten millions more than in the preceding year, and therefore may be considered an excellent result of the year's working. The life and annuity funds now amount to £325,885,514, and this does not take into account the paid-up capital or sundry shareholders' balances. It is also interesting to note that the premiums show an increase of over a million pounds sterling, whilst claims also have increased by nearly three million pounds. Another sign of the financial depression is that surrenders show an increase of £203,859, which sum, it is to be hoped, will reveal a decrease in the future.

Industrial companies have a premium income of £13,336,561, while their claims were £5,300,300. The increases in funds were £2,435,927, which is, in itself, a remarkable sum, considering the immense number of transactions which represent the business. Another form of statistics which shows the vast amount of good which insurance does, and the strong hold it has on the population of the United Kingdom, is disclosed in the summary of assurances in force. The ordinary business is represented by 2,746,202 policies, insuring the sum of £810,053,561. If the industrial figures are added, viz., 28,541,525 policies, and £285,809,757 the sum assured, the total number of contracts is colossal, and the amount insured a sum of three hundred millions more than the national debt. As showing the growing popularity of endowment insurance the figures given in this volume, compared with those of the preceding year, are not only instructive, but should be of absorbing interest to those in the business. The total number of policies in force, with and without profits, were 1,636,466, the sum assured being £266,315,583. In the previous year, namely, 1907-8, they were 1,540,511 and £253,022,190 respectively, an increase of 95,955 policies and £13,293,393 in amount. The increase is more marked, if compared with other forms of insurance, namely, whole life policies and limited number of premium policies. This business shows a decrease of 22,751 policies

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and £4,599,061 in sums assured. The decrease would have been greater had it not been for an increase in the policies limited to number of premiums, which shows an increase of 2,064 policies and over one million pounds sterling in sums assured. There is evidently a growing demand even for this form of insurance, and the modern tendency now is to take out a contract, which, besides giving benefits which are clearly defined and guaranteed, are also contracts that premiums cease after a certain number of years. A closer study of these interesting statistics will reveal many points of interest, and we only regret that our space does not allow us to give a more voluminous extract from them.

Increased Hazard to Life from the Indiscriminate Sale of Firearms.

In an article in this week's *Independent*, on "Unpunished Crime in the United States," Judge George C. Holt, of the United States District Court at New York, has the following observations on one fruitful source of crime, the unrestrained sale of deadly weapons to all applicants for them:

The question naturally arises, what should be done to put a stop to such a condition of crime and disorder in American society? In the first place the use of the instrumentalities by which most of these crimes are committed should be restricted by law. The repeating pistol is the greatest nuisance in modern life. Every criminal, every madman, every crank, every bad boy, carries one. Nineteen-twentieths of all the crimes of violence that are committed are effected by its use. All firearms are weapons whose use involve such terrible injury that no one should be permitted to use them except strictly in self-defense. Before the invention and adoption in common use of the pistol, no one thought of habitually carrying about with him so terrible and dangerous an instrument as any kind of firearm. It was the invention of the revolver which enabled men to carry concealed about their person a weapon of such a deadly character. No one should be permitted to carry abroad such a dangerous weapon, in view of the constant possibility of its being used for trivial causes. Wherever men meet, there is always the liability of quarrels arising, and always, in the world, until the invention of the modern revolver, when a quarrel arose serious enough to lead to personal assaults, the attack was made by blows with the fist, or with a stick, or at the worst, with the knife or a sword. Even when the latter formidable instrument was used, there was an opportunity for the man attacked to escape, and in most cases of fights and assaults, there was little danger of serious permanent injuries or death. But as soon as a pistol is drawn there is always that danger, and therefore the right to have or to use a revolver should be under rigid public control.

Cases frequently arise of the accidental shooting of persons, including women and children, by revolvers lying about the house. An ordinary breechloading shotgun is a far safer weapon, and if it is actually necessary for purpose of home defense to use any such weapon, it is far more efficient and desirable. A pistol shot, except at very close range, is very apt to miss the object fired at. A shot gun at close range is more deadly, and if fired at a burglar anywhere from 100 to 300 feet away, he will probably be so peppered with shot that his escape from subsequent detection is extremely difficult, while at the same time the person who has fired at him is free from the regret which any one would naturally feel at the actual killing of any person, however criminal. There are in some States statutes and in most cities ordinances prohibiting the carrying of conceaed weapons, and requiring licenses for the carrying of pistols. But these statutes and ordinances are not by any means universal. They are usually not made effective by serious penalties, and they are to a very large extent disregarded throughout the country.

It would be, in my opinion, entirely justifiable for the Government to prohibit the manufacture or sale of any pistols in this country except in national armories, for the use of the military and police. Such a law is probably impracticable; but it ought to be possible to have laws passed which shall provide that all persons manufacturing or selling or purchasing and using revolvers should be licensed by a responsible board, established for that purpose. At the present time anybody can engage in the business of manufacturing pistols who sees fit to do so. They can be sold to anybody who wishes to purchase them. Shops exist in every city where anybody can buy a pistol at any time, many of them at so cheap a price that the poorest persons can get them. Every person engaging in the business of selling revolvers should be licensed, and every person who wishes to obtain a revolver should be required to first obtain a license. It should be a serious offense for a dealer in firearms to sell a revolver to a person who has not a license authorizing him to have it.

It is a monstrous thing that every insane man, every criminal, every passionate, quarrelsome, irritable man, every boy with a tendency toward a criminal life, every drunken brute who abuses his wife and family, should be able without any legal restriction, to buy for a dollar or two, at every street corner, such a deadly weapon. It is pitiful to think how many thousands of women and children in this country live in constant apprehension of murder from drunken husbands or fathers or half crazy brothers or relatives. And how many men there are who, having a quarrel with another man, such as may happen to anybody in the community, without fault on his part, live in constant apprehension of being shot down and murdered while sitting at their desks or walking through the streets. Not a day passes but the newspapers contain flagrant cases of persons assaulted and killed with revolvers—men shot down in trivial quarrels, wives killed by their husbands for some silly jealousy, young women shot by miscreants because they have refused to marry them, children playing in the streets shot by insane men, apparently simply for the delight of the murder, policemen shot while attempting to prevent burglaries or other crimes, honest Italians shot who have refused to pay Black Hand extortions; in short, the entire honest and decent portion of the community is constantly subject to, and many of them live in, constant terror of the use of the revolver by the most abandoned and criminal section of the community. There is no sense in the decent, honest and respectable citizens of this country, who compose the great majority of its people, submitting any longer to such a monstrous evil.

The same restrictions should be applied to the use of other deadly instrumentalities, particularly to high explosives like dynamite or nitro-glycerine. At the present time anybody can engage in the business of making dynamite or of selling dynamite, and any person who wants it can buy it at any time. No man ever makes a bomb for any legitimate purpose. It is always made with criminal object. The man in whose possession it is found should be treated presumptively as a criminal unless he can produce evidence in exculpation. The same principle should be applied to any other obviously dangerous weapon. Stilettos, bowie knives, slingshots and brass knuckles are never made for any legitimate purpose. Men should be prohibited by law from obtaining them, or from having them, and the possession of them should be made by law *prima facie* evidence of a guilty intention to use them for a criminal purpose.

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LOUISIANA, MISSISSIPPI, ALABAMA, ARKANSAS, OKLAHOMA, GEORGIA, FLORIDA, TEXAS.

CLARENCE LOW, Manager.
J. G. PEPPER, Assistant Manager.
THOS. H. ANDERSON, Deputy Asst. Manager.

SAN FRANCISCO OFFICE:

444 CALIFORNIA STREET.

CALIFORNIA, NEVADA, OREGON, WASHINGTON, IDAHO, ARIZONA, ALASKA.

CHARLES D. HAVEN, Manager.
C. MASON KINNE, Assistant Manager.
JOHN W. GUNN, Deputy Assistant Manager.

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A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS is unsurpassed for net low cost and care of interests of all members.

The Penn Mutual Life Insurance Company
OF PHILADELPHIA

On January 1, 1909, rates were reduced and values increased to full 3 per cent. reserve.

THE NATIONAL LIFE, U. S. A.
Wants Good Producers for District and General Agents

A SPLENDID CHANCE
to grow with a Western Company more than forty years old, operating in thirty States and Territories.

WORK FOR YOURSELF!

We have a Special Proposition for 1910. Why not write us?

CHICAGO'S OLDEST AND STRONGEST COMPANY

Robert D. Lay, Secretary, 159 La Salle Street, Chicago.

OUR Course of Insurance Education Department for Furnishing Prospects, New "Model Policy," Will Plough the Field and Assure the Harvest for Good Agents.

Phœnix Mutual Life Ins. Co.
Write Home Office. HARTFORD, CONN.

Royal Exchange Assurance
OF LONDON, ENG.
Incorporated A. D. 1720
UNITED STATES BRANCH
92 William Street, New York
UBERTO C. CROSBY, General Manager
RICHARD D. HARVEY, Assistant Gen'l Manager

Head Office for the United States:
57 and 59 William Street,
NEW YORK.

A. G. McIlwaine, Jr., Manager.

HANOVER
Agencies in all the Principal Places in the United States.
Fire Insurance Company
OF NEW YORK.

Western Assurance Company
HEAD OFFICE: TORONTO, CANADA.
INCORPORATED 1851.
Hon. GEO. A. COX, President.
W. R. BROCK and JOHN HOSKIN, K. C., LL. D., Vice Presidents.
W. B. MEIKLE, General Manager.
UNITED STATES STATEMENT, JANUARY, 1910.

Assets	$8,277,903.87
Surplus in United States	339,268.07

Company's Office Building.

Surety Bonds and Undertakings

are furnished promptly throughout the United States, Canada and Mexico, by the

American Surety Company
OF NEW YORK

Home Office, 100 Broadway

This Company confines its business exclusively to the furnishing of suretyship bonds and undertakings.

Its experience extends over a quarter of a century.

Its Financial Strength is greater, its Qualifying Power under Federal and State Regulations is larger, and its Agency Organization is more extensive than that of any other Surety Company.

Bonds issued for Employees, Administrators, Guardians, and in Judicial Proceedings.

STATEMENT DECEMBER 31, 1909.

Resources (including Capital, $2,500,000)	$7,612,718.73
Liabilities (including Reserve, $1,330,367.97)	1,927,36819.

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1857 — CHARTER PERPETUAL — 1910

THE GERMAN MUTUAL LIFE INSURANCE COMPANY
OF ST. LOUIS, MO.

Attractive Policy Forms and Low Premium Rates.
Liberal Contracts to Reliable Producers.

PROVIDENT SAVINGS LIFE ASSURANCE SOCIETY N.Y.

THE ONLY COMPANY IN THE WORLD THAT

"Insures Lives and Guards Them Against Disease"

APPLY
35 Nassau Street, New York, N. Y.

FIRE ASSOCIATION
1817 OF PHILADELPHIA 1908

Total Assets,	$7,840,675.19
Capital Stock,	750,000.00
Net Surplus,	1,804,021.58

E. C. IRVIN, President.
T. H. CONDERMAN, Vice-President.

New York City Department
KELLY & FULLER, Agents
92 William Street, New York City
Boston Department
JOHN C. PAIGE & CO., Agents
65 Kilby Street, Boston, Mass.

THE Fidelity and Casualty Company,

97-103 CEDAR STREET, NEW YORK CITY.

Assets, $9,598,924.02.
Capital and Surplus, $3,564,229.90.
Losses Paid to January 1, 1910, $31,636,503.21.

This Company grants Insurance as follows:
Bonds of Suretyship for persons in positions of trust,
Fidelity Bonds, Burglary, Plate Glass,
Steam Boiler, Flywheel, Employers',
Public, Teams, Workmen's Collective,
Elevator and General Liability;
Personal Accident, Health
Physicians' Liability.

OFFICERS:
GEORGE F. SEWARD, President.
ROBERT J. HILLAS, Vice-President and Secretary.
HENRY CROSSLEY, Assistant Secretary.
FRANK E. LAW, Second Assistant Secretary.
GEORGE W. ALLEN, Third Assistant Secretary.

ILLINOIS LIFE
INSURANCE COMPANY, CHICAGO

JAMES W. STEVENS, President.

Offers exceptional inducements to reliable and energetic men who are experienced in or who would like to enter the business of life insurance.

Address the HOME OFFICE:
Fort Dearborn Building 134 Monroe Street

MEN OF ENERGY
ARE OFFERED
WORK OF MOMENT

in desirable localities representing a sixty-year-old institution, with modern, liberal, law-conforming policies, and helpful Home Office co-operation. Much good territory available. Many opportunities for advantageous positions. Inquire NOW.

Union Mutual Life Insurance Co.
PORTLAND, MAINE
FRED E. RICHARDS, PRESIDENT
Address either: ALBERT E. AWDE, Supt., Flatiron Bldg., Watertown, N. Y.
THORNTON CHASE, Supt., 405 Exch. Bldg., Los Angeles, Cal.

HOME ENDORSEMENT
GAVE
CONFIDENCE ABROAD

New Insurance Applied for upon which Premiums have been paid in cash during the first Six Months of 1910 is in Excess of New Insurance Paid for in cash during the Entire Twelve Months of 1909

THE ABOVE IS THE RECORD OF THE
PITTSBURGH LIFE AND TRUST CO.
W. C. BALDWIN, President.

The First Company Licensed in the State of New York after the Enactment of the Amstrong Laws.

A FEW GENERAL AGENCY DISTRICTS OPEN

IT PAYS THE AGENT

To represent the best company. There are many excellent standard life insurance companies. Which is the best? In stability, progressiveness, liberal contracts to agents and low cost to policyholders no company surpasses

THE
Union Central Life
Insurance Co. of Cincinnati

ASSETS, $74,523,966.28 - - - LIABILITIES, $72,324,302.92

Good openings are occuring from time to time.

ADDRESS:
JESSE R. CLARK, President. ALLAN WATERS, Sup't of Agents.

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NATIONAL POLICIES SATISFY THE PUBLIC

NATIONAL CASUALTY DETROIT

NATIONAL CONTRACTS SATISFY THE AGENT

Territory open. Write for terms.

THE CONNECTICUT MUTUAL

That means the best life insurance to have and the best to sell. If you can sell life insurance, you can sell more of it for the CONNECTICUT MUTUAL.

Men of character and ability are invited to apply.

CONNECTICUT MUTUAL LIFE INS. CO., Hartford, Conn.

Please mention this paper

1860 50TH YEAR 1910

HOME LIFE INSURANCE COMPANY

OF NEW YORK.

GEORGE E. IDE, President

ASSETS, $23,626,018.63 LIABILITIES, $21,858,691.52 (Including Deferred Dividend Fund)

Dividend-Endowment Fund (Deferred Dividends)	$2,119,044.00
Net Surplus	1,767,327.11
Insurance in Force	92,532,883.00

The Record for 1909 shows the following GAINS:

Insurance in Force	$4,164,239.00
Assets	1,917,117.00
Deferred Dividend Reserve	148,581.00
Contingency Reserve (Surplus)	655,149.17

OLDEST IN AMERICA STRONGEST IN THE WORLD

The Mutual Life

Insurance Company of New York

Mutual Life Agents Make Most Money Because Mutual Life Policies Sell Most Freely

For terms to producing agents address:

GEORGE T. DEXTER, 2d Vice-President,

34 Nassau Street, New York, N. Y.

(FIRE)

German American

Insurance Company

New York

STATEMENT JANUARY 1, 1910

CAPITAL

$1,500,000

RESERVE FOR ALL OTHER LIABILITIES

8,222,018

NET SURPLUS

6,440,211

ASSETS

16,162,229

GERMANIA

FIRE INSURANCE COMPANY

Organized 1859 NEW YORK

Cash Capital	$1,000,000.00
Assets	$6,502,829.14
Net Surplus	$2,008,419.02
Surplus for Policy Holders	$3,008,419.02

HEAD OFFICE: Cor. William and Cedar Streets

The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1910	$3,470,509.30
Total Liabilities, except Capital	1,920,837.24
Capital	500,000.00
Surplus to Policyholders	1,549,672.06

F. F. BUELL, Special Agent, Troy, N. Y.

Provident Life and Trust Co.

OF PHILADELPHIA.

The Provident has been particularly distinguished for the development of a highly trained force of agents. The systematic instruction which its agents receive has resulted in their being recognized as representatives of exceptional knowledge of the business and of marked efficiency.

Insurance Company of North America

FOUNDED 1792

232 Walnut Street, Philadelphia

Assets, January 1, 1909		$12,014,062.63
LIABILITIES—Reserved for Reinsurance and all other claims	$7,263,156.97	
Capital Stock	3,000,000.00	
Surplus over all Liabilities	1,750,905.66	$12,014,062.63

Agents in all the principal towns and cities.

EUGENE L. ELLISON, President.

F. HOUARD WRIGHT, Secretary. HENRY W. FARNUM, Assistant Secretary.

BENJAMIN RUSH, Second Vice President. JOHN O. PLATT, Assistant Secretary.

Surplus to policyholders, $4,750,905.66.

Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

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The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

NOTHING doing in Texas. The two houses of the Legislature, while willing to repeal the present State rating board law, are deadlocked on a new one, and, having adjourned sine die, have been reconvened by an indignant Governer in another special session—the fourth since it came into existence. Should the Legislature still prove obstinate new fire insurance rating legislation will have to go over to the next regular Legislature, which is elected in November and meets in January, 1911. Meanwhile the present rating board may continue to muddle and harass. There are other issues than fire insurance that enter into the differences between the Governor and the political factions in the Legislature, and one of them—liquor prohibition—overshadows the rating question. There are a two cent passenger rate bill and a penitentiary reform bill, also, over which they are disputing. In the intensity of the struggle it is not impossible that insurance may be neglected.

THE adoption by many cities of its building code has been the supreme achievement of the National Board of Fire Underwriters. But the uniform and complete cooperation of the fire insurance companies in its enforcement is essential to its success. Complaints are made that companies too often overlook, in their adjustment of losses, carefully conceal [illegible]ractions of the code by desirable policyholders. The [illegible]justice of putting on a common level of indemnity property owners who go to the expense of making improvements to secure a rate with those who avoid the cost of improvement is obvious. Zealous public officials who are intent on securing the best construction in their municipalities by urging compliance with the provisions of the National Board code, are discouraged by any evasions that are permitted by those who are most interested in the law. A number of such cases have been reported.

THE strike of the industrial agents of the Metropolitan Life insurance company in a Pennsylvania locality, and their appeal to the Governor of that State for a legislative inquiry that will show that they must be paid higher compensation, is a new phase of the eternal commissions question. At a time when States are proposing to put pressure on insurance companies to reduce new business expenses and to use forcible means toward it, a call upon the same power to help agents to higher commissions suggests perplexities. The sympathies of the average legislator, who happens at the same time to be an elastic politician, would go out to the suffering industrial agent, and the problem would be how to raise his wage while lowering it. If a company were only an entity unaffected by the rise and fall in the cost of doing business the difficulty could easily be managed. The agency outlay is the most important factor in industrial insurance expense, and one which cannot safely be enlarged without increasing the premium rate. It does not appear that there is not a sufficiency of people in the Wilkes-Barre and Lackawanna districts who can afford to live on the present commission, for the company menaced by the mutiny has filled the places of the strikers. Further unrest in the industrial business will depend on whether "Industrial Agents' Union, Local No. 1," is in affiliation with other trades union bodies, but the economic law that business must be kept within its cost cannot be permanently affected.

EIGHT thousand millions, or more than one-third of the life insurance at present outstanding in the United States, has been written by the fraternal insurance societies. The influence on the life insurance business of such a force and the question of its future—whether of increase or of decay and dissolution—cannot fail to be of paramount importance to the business. The fraternal system stands at the parting of the ways, and its fate is almost certain to be determined by the action taken by its two representative national organizations convening this month. The warning was plentifully given out at the annual meeting of the National Fraternal Congress, reported in today's paper, that there must be adequate premium rates established and enforced by law if fraternalism is to continue to exist. Adequate rates, however, must be uniformly enforced, for if exceptions are allowed the lower rate societies will control the business to its ultimate destruction. The uniform bill, which has been tentatively agreed upon by the executive committees of the fraternal organizations and the State insurance commissioners, would seem to meet the needs of the situation. Its approval by the Fraternal Congress is to be expected. Whether the association of the newer societies will oppose it and strive to defeat its enactment by State legislatures remains to be seen, but that question will be decided by the convention of the Associated Fraternities, which meets at Atlantic City next Tuesday. Insurance Commissioner Hartigan—whose address we print—and the other speakers at this week's meeting pointed out that the danger that has come to the fraternal business is due to the introduction of "commercialism." Under the older method the purpose was protection to the extent of the assessments at low cost of collection and disbursements. With the multiplication of

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societies and the consequent struggle for new business expenses have not only heavily increased but an undesirable class of insured has been brought into the membership. All this makes for the danger that must be averted. The question whether fraternal insurance has been a hindrance or a help to the regular or "old line" forms of the life insurance business has always been an open one. By not a few observers it has been regarded as a feeder to the greater business. But its existence—and that it meets a certain popular demand—cannot be ignored. One salient point remains—that regular life insurance has continuously waxed stronger and greater and more dominant in spite of its competition.

Facts and Opinions.

The New York State Insurance Department announced this week that the following twenty **Lloyds** insurance associations **have made application** under the new law for authority to transact business after January 1, 1911: Allied Underwriters at New York and Chicago, American Exchange Lloyds, American Lloyds, Assurance Lloyds, Great Western Lloyds, Isthmus Lloyds, Lloyds, New York, Lumber Underwriters, Mercantile Lloyds, Merchants Fire Lloyds, Manufacturers Lloyds, National Underwriters, New York and Boston Lloyds, New York Central Lloyds, New York Commercial Lloyds, New York Fire Lloyds, New York Insurance Association, North American Interinsurance, Union Underwriters of New York, United States Lloyds. The following interinsurers have made like applications, and filed their statements: Individual Underwriters, Indemnity Exchange and New York Reciprocal Underwriters. The following associations have not made application, and will not be authorized to do business: Fidelity Insurance Association, International Fire Office and Union Underwriters. Two other Lloyds associations, the Garfield Fire and New York and New England Underwriters at Lloyds, are now being liquidated at the Insurance Department. The department makes the following statements in reference to the applicants:

The legality of organization and the financial condition of each of the domestic Lloyds and interinsurers will be the controlling factors in determining whether, after examination by the department, the certificate of authority required by the new law and authorizing them to do business after January 1 next will be granted. Meanwhile, each of these organizations —save several which are practically dormant—are operating under the law as it stood prior to the amendment, the latter, so far as the conduct of business is concerned, not going into effect until the beginning of next year. The new law not only requires Lloyds and interinsurers thus to make application for certificates of authority, but compels them to file with such applications their financial statements as of June 30 last and agreements executed by their underwriters or duly authorized attorneys-in-fact, specifying one or more residents of New York on whom proofs of loss and legal process can be served. The law further requires the Insurance Department to examine each of the associations which applies for a certificate, and such examinations have now begun. It further places certain restrictions on this class of business, and is expected to put an end to numerous losses due to irresponsible underwriters and illegal organizations of this character. The department will thus be able, shortly after January 1 next, to furnish the insuring public with accurate information as to the solvency and methods of business of all Lloyds and interinsurers issuing policies in New York, and also to lay information before the criminal authorities against underwriters and attorneys-in-fact which have not been authorized to do business in accordance with the new law.

It is stated that in case Edward R. O'Malley, who is New York State Attorney General, neglects to start **action against the former directors of the old Phenix Fire of Brooklyn** a committee of stockholders will immediately begin litigation to force the directors to make good the losses alleged to have been caused through their management of the company's affairs. It is charged that dividends were paid which were based on erroneous figures, tending to show a surplus, whereas an impairment existed instead. The figures in the report of the New York Insurance Department state that on December 31, 1906, the company reported a surplus of $1,626,477, when in reality it was but $286,477. Instead of a surplus of $849,461 reported for 1907 there was instead an impairment of $372,429. The company's report as of December 31, 1908, stated a surplus of $1,010,453, when the capital was impaired $126,167. The examiners declared that a deception of $1,000,000 was practiced in reporting San Francisco losses, and that dividends during that period were paid when an impairment existed. The report stated that loans made to company and State officials in violation of law constituted a material part of the impairment. The directors who will be affected if suit is started are George Ingraham, Charles E. Koster, W. J. Logan, F. J. Logan, John Cartledge, Edmund C. Converse, George M. Hard and Benedict J. Greenhut. The other director was George B. Sheldon, also president, who died on Christmas Day, 1909.

A portrait of a good looking man, with a bright, forceful face, accompanies a sketch in latest *Texas Insurance* of Fred C. von Rosenberg, the **new Insurance Commissioner of Texas.** The following is the sketch:

Mr. Von Rosenberg, the new Commissioner of Insurance and Banking, is a lawyer. He was born at Austin, November 3, 1866. In 1884 he was graduated with the degree of mechanical engineer at the A. & M. College. In 1885 he finished the course of junior law work at the University of Texas, and in 1886 he was graduated with the degree of civil engineer from the Maryland Military Academy at Oxford, Md. He graduated with the degree of bachelor of laws at Georgetown University, Washington, in the class of 1889, and was admitted to the bar at Washington in the same year. Following this he made an extensive European tour, returning to Austin and beginning the active practice of law, but in 1888 pursued his vocation as mining engineer in Chihuahua, Mexico, returning to Austin to again resume the practice of law. From 1901 to 1905 he was chairman of the city Democratic executive committee of Austin. He married Miss Nina Electa Stephens, of Boise City, Idaho, in 1892, and has two children. The only public position he has heretofore held has been member of the trustees of the State Blind Institute, of which he was president. He resigned from that board to become a member of the State Mining Board, of which he became president.

It will be seen that Commissioner von Rosenberg, although an expert on law, mining and optics, has something to learn about insurance.

The Insurance Commissioner of North Carolina has issued a circular calling the attention of fire insurance companies and their agents doing business in the State to the law **prohibiting overinsurance of property**, and the penalty for its violation. The law provides that "no insurance company or agent shall knowingly issue any fire insurance policy upon property within this State for an amount which, together with any existing insurance thereon, exceeds the fair value of the property, nor for a longer term than seven years. Policies issued in violation of this section shall be binding upon the company issuing them, although such company shall, nevertheless, be liable for the forfeitures by law prescribed for such violation." The penalty for each offense in making, issuing and delivering such policies is a fine of from $50 to $200, but the policy, nevertheless, will be binding on the company issuing the same. Commissioner Young says:

The reports coming to my department, as well as the investigations under my directions, show that but for the insurance on the property being more than its value many fires would not occur. In some cases it has developed that the insurance was procured either through the ignorance or carelessness of the agent writing the insurance, and was not discovered by the special agent or inspector of the company, and I deem it advisable to call the attention of companies and agents to this law, which will be strictly enforced.

The first formally organized **trades union of life insurance agents** was not long ago established in Wilkes-Barre, where

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the Metropolitan industrial solicitors were formed into the "Insurance Agents' Union, Local No. 1." Shortly thereafter the union gave notice, through its president, J. W. Chamberlain, that unless the Metropolitan granted an increase in commissions by 8 o'clock the next morning there would be a strike. There was a strike, as the Wilkes-Barre agents were on the same pay as all others of their class in that territory, and the Metropolitan took no notice of the demand. It was said at the home office this week that other men had been put on the debits in Wilkes-Barre, and also at Scranton, where a sympathetic strike of the Metropolitan industrial men was brought about. It looks from here as if a lot of men at Wilkes-Barre and Scranton will have to hustle for another job in order to be comfortable this winter.

Commenting on the increased hazard to life caused by the **unrestrained sale of firearms** to all applicants for them, the *Chronicle*, of Montreal, says:

The moral is that mayors and aldermen who allow half crazy dock laborers and everybody else (all lunatics and criminals included) to own revolvers, are challenging fate. In this respect Chicago is a long way ahead of New York—or Montreal. You cannot, in Chicago, sell, buy, own, lend, give away or have in your possession a revolver or other deadly weapon without a license from the mayor. And you cannot get a license without giving exceedingly good reasons why you should be trusted with a weapon which is useful to very few except fools and criminals. Practically in a big city nobody but bank messengers and policemen on special duty have any legitimate use for revolvers. The average citizen can use it to shoot his wife, his mother-in-law, or his little sister, or to commit suicide. Or he can leave it around for the children to play with. That is about all the use he gets out of it. In sparsely settled country districts the case is different. The record of deaths, accidental and otherwise, in Montreal during the last thirty years from revolver shots would make a long and ghastly list, and it would be difficult to find two cases in which the weapon did any good.

In its announcement regarding the requirement of Lloyds to make applications for licenses under the new law the New York Insurance Department warns the public against **London Lloyds** and similar foreign concerns which do not do business in the State under legal authority, and whose agents will be liable to criminal prosecution after January 1 next if they solicit or transact business herein. It says:

The Lloyds thus to be authorized should not be confounded with alien Lloyds, such as that which does business under the name of Lloyds, London. Citizens of New York who accept the policies of any of the syndicates of underwriters operating under this name do so at their peril in case of loss, such syndicates having no authority to do business in this State, and there being no persons resident in New York on whom proofs of loss or process can be served to the end that suits to collect may be brought in American courts. After January 1 next all agents or other persons representing Lloyds, London or any unauthorized Lloyds in this State will, pursuant to the new Lloyds article of the insurance law, be liable to criminal prosecution.

Notwithstanding the efforts that have been made to secure a postponement of the **annual meeting of the Western Union,** on account of its colliding as to time with the annual meeting of the National Association of Local Fire Insurance Agents, the preparations for the former meeting continue without abatement. It is to be held at the Hotel Frontenac, in the Thousand Islands, in the second week in September. The committee on order of business is as follows: Chairman, W. N. Johnson, Insurance Company of North America; Charles H. Barry, Pennsylvania; H. C. Eddy, Commercial Union; Charles W. Higley, Hanover; G. H. Lermit, Northern of London; J. H. Stoddart, New York Underwriters, and S. Y. Tupper, Queen.

The insurance underwriting field is being searched by Mrs. Albert G. Finney, of Waterbury, Conn., who two years ago was apparently almost miraculously cured of an illness of thirty-four years. Her husband was refused admittance at the hospital where it was thought she was dying. Since that time the woman has inherited a fortune and is now **looking for her husband,** who worked so hard to make her comfortable during her long illness, and who now undoubtedly thinks her dead. She learned that he took up the insurance business, and is making a canvass of all companies in the hope of finding him, in order to make life easy for him. Her address is South Mayd Home, 885 North Main street, Waterbury, Conn.

The **opinion of O. B. Ryon,** attorney for the Illinois Fire Insurance Commission, was asked on the Texas rating board legislation, and elicited the following:

The work of the Illinois commission has convinced me that the State had better leave the rate and rate making with the insurance companies. They have the information and experience and the State has not, and without this no scheme would be worth much. The insurance companies have been telling us that fire insurance is a tax, and if so, the people who pay the tax should have something to say about how it is levied and collected. I think, therefore, that the insurance companies should make the rates, but the State should supervise them after they are made, for the purpose of correcting any inequalities and preventing discrimination only. In other words, to let the insurance companies make their own rates, but see that they do it fairly. This is my idea of State supervision.

The **Cosmopolitan Fire** of New York, which reinsured its business in December, 1908, with the Royal Exchange, had some three year and five year **policyholders in North Dakota.** Through an application to dissolve the corporation they became aware of the condition of company affairs. The North Dakota department learned that the risks had been again reinsured with the Globe and Rutgers. Neither of the reinsurance companies is authorized to do business in North Dakota, and the Insurance Department of that State is still busy trying to conserve the interests of the policyholders affected.

Addressing the **Boston** Chamber of Commerce on the lessons of the recent great fire, Mayor Fitzgerald of that city asks the co-operation of that body in bringing about **five improvements,** viz., the extension of the high pressure service to the South End, the strengthening of the laws relating to dock construction and storage of lumber thereon, the creation of a reserve central station of the fire alarm system in view of the threatened destruction of the present one, a discussion of the adequacy of the present building code and an increase in the membership of the fire department.

A special committee of **Texas** fire underwriters called upon the **State Rating Board** to ask that **cotton gins be exempted** from the recent 15 per cent. reduction in rates. The board refused to consider any revision so long as the whole question was pending before the Legislature. The delegates showed for the five years ended with 1905 the loss ratio on cotton gins in Texas was 74.6 per cent., so that with an expense ratio of 35 per cent. there was a net loss of 9.6 per cent. on every dollar of premiums. For 1910 the loss ratio on cotton gins has been 180 per cent.

The **Seattle Chamber of Commerce,** which has been trying to induce insurance companies not now maintaining general agencies in the Pacific Northwest to do so, has now issued a circular to the citizens requesting them to patronize so far as possible only companies maintaining general agencies, in addition to a number of local and mutual companies listed. The committee states that it has not examined these companies as to their financial standing, and recommends that the insured do so for himself.

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The New York State Insurance Department has received the $200,000 deposit made by the **Royal** insurance company, and its application **to do ocean marine business** in New York State has been approved. The United States representative for this line has not been appointed. The Queen is also to write marine business here, and with the British and Foreign Marine and the American and Foreign Marine, both of which are controlled by the Royal, four marine policies will be at the disposal of its clients.

The National Life of the U. S. A. is issuing a special policyholders' edition of the *National News*, the company organ. It is intended to bring before the policyholders questions of general interest to them, and in the first issue President A. M. Johnson calls their attention to the heavy burden of **life insurance taxation.** He shows that this is a tax upon the provident for the benefit of the improvident, and urges them to exert their influence upon their legislators to correct this injustice.

The first reports of the loss by the **fire in the Brussels Exposition** were greatly exaggerated, the amount being placed at $100,000,000. Later accounts show that scarcely $5,000,000 of values were destroyed. The damage was principally in the Belgian and British sections, and the principal sufferer on account of insurance is London Lloyds, which had more than $2,000,000 at risk in the damaged sections. The British companies lose about $50,000, the Belgian and French companies more.

Since the actuarial and medical departments of the big life insurance companies started their investigation of 5,000,000 lives for the purpose of obtaining more accurate data, the actuaries of the fraternals have undertaken the construction of a **new mortality table,** and will tabulate results under several different heads. The experience of the labor unions as to vocational disability and death will also be tabulated to afford assistance in their campaign for compensation laws.

Articles of incorporation for the **Twin City Fire of Minneapolis** have been approved by Insurance Commissioner Hartigan of Minnesota. The company is to have a capital of $500,000, with equal surplus, and will do a general fire, marine and sprinkler leakage business, and will in addition insure against loss of refrigerating plant contents caused by change of temperature following destruction of the plant by fire. A general automobile business will also be done.

The executive committee of the Kansas City Fire Underwriters' Association has ruled that an agent who takes the automobile department of a fire insurance company violated the **dual agency ruling** of the association if the company is already represented in two agencies. Charges have been filed under this ruling against the Furgason & Tabb Underwriting Company, Pratt & Thompson and Fowler & Long.

The **Protective Fire insurance company of Syracuse,** N. Y., which has been in process of organization for some months, has dispensed with the services of its promoter, Ira A. Manning, and an announcement by its president, Robert R. Tuttle, says that the company expects to be ready for business within sixty or ninety days. Nearly 1,000 stock subscribers have been secured who have bought $300,000 of stock and reserved about $400,000 more.

The **Franklin insurance company of Washington** elected the following directors this week: J. Taylor Arms, W. Taylor Birch, Charles S. Bradley, Benjamin W. Guy, John A. Kelly, Harry H. Fuller, Scott E. Walker, E. E. Jordan, Thomas A. Duffey, James E. Oyster, Victor Kaufman and George Wright. The directors elected John A. Kelly to be president and W. P. Young to be secretary and treasurer.

Six **Paterson firemen** are **taking instructions** in the New York fire department school of instruction days, and are assigned to duty nights with various companies for a month, in order that they may become competent to instruct their fellow firemen at Paterson in modern fire fighting. Insurance companies objected to Paterson methods, and threatened to raise rates unless improvement was made.

The 1910 edition of the **"Unique Manual of Facts and Figures"** of the regular life insurance companies and their dividends, which is edited and published by Sampson Dawe, of Boston, has been received. It is a neatly printed and bound book, which should afford a life insurance agent much valuable information. It sells for $2.50. Orders may be sent in care of THE WEEKLY UNDERWRITER.

At the meeting of the New York Board of Fire Underwriters Wednesday the **assessment for fire patrol** was fixed at .008 of premiums and .004 for the expenses of the Board. A committee, consisting of J. H. Kelly and Wallace Reid, was appointed to present nominations for the vacancies caused by the resignations of Howard Hampton and E. E. Pearce from the fire patrol committee.

Under a ruling by Acting Insurance Commissioner Willard Done of Utah, **interinsurance concerns** can only enter that State as associations of underwriters, and as such come under the same restrictions as regular insurance companies. The point was raised by the attorneys for the Retail Hardware Underwriters of Palo Alto, Cal., and it is expected that they will contest the ruling.

St. Louis investors having been made **wary** by the numerous attempts to organize insurance companies in that city, it is proposed to consolidate the organization plans of the Central Union Fire, the Western States and the Mid-Continental insurance companies, whose promoters feel the necessary funds cannot now be raised for all three.

Fire insurance men were startled this week by the announcement that their companies were delinquent in the matter of paying **taxes** created under a new legislative enactment **in Oklahoma.** It has been discovered, however, that the new tax bill contained a clause especially exempting insurance corporations from its provisions.

The Equitable's new **monthly premium policies** will shortly be placed in the hands of agents. As previously stated, this branch of new business is in the hands of W. E. Culkins, formerly with the Columbia Life of Cincinnati. The company desires to reach a class of people who do not respond to quarterly payment propositions.

Incorporation papers were filed August 13 by the **Cooperative Insurance Underwriters** of Santa Fé, N. M. The incorporators and directors are Edwin E. Forstall, of Phœnix, Ariz., and Francis E. Wood and Jay W. MacRae, of Albu-

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querque. The capitalization is $500,000, and the headquarters are to be at Albuquerque.

In Tennessee Insurance Commissioner Reau Folk has ruled that **mutuals cannot do fire insurance business** unless they deposit not less than $25,000 and maintain the full legal reserve. The commissioner states that fire mutuals have had a disastrous experience in that State, and that any plan not providing for full legal reserve is unsound underwriting.

The **Scranton Life** has made a second application to enter California, the first failing through the omission of certain technical details. The California general agent will be Burton A. Garlinghouse. The Columbia Life and Trust of Portland had a like experience, amended application papers having been filed within a few days.

The Nassau Fire, Peter Cooper Fire, Empire City Fire and United States Fire, of which Crum & Forster, of New York, are general agents, and the North River Fire, of which J. L. Parsons is general agent, have been **elected to** membership in the **Western Insurance Bureau,** which now includes forty-four companies.

Efforts were being made this week at Detroit, where the National Fraternal Congress was in session, to bring about **a merger** between that body and the Associated Fraternities of America, which will meet at Atlantic City next week. The feeling for union is said to be stronger in the older than the younger body.

The **Western and Atlantic Fire of Nashville** is applying for admission to Kentucky, Alabama and Washington. W. J. Dilliard will handle Alabama, Kentucky will be handled by the home office, and C. M. Seeley, of Seattle, will look after Washington and other Northwestern territory to be entered later.

Says the *Insurance Record:*

> THE WEEKLY UNDERWRITER, in announcing the marriage engagement of a well known insurance man, says: "He has booked himself for another engagement, this time in continuous vaudeville." It must have been a bachelor who wrote that.

It must have been **a married man** who wrote that.

The **Manufacturing Woodworkers' Underwriters of Chicago** has been organized, operating on the interinsurance plan, with Lee Blakemore & Co. as attorneys. As its list of members is small at the start all risks will be reinsured in stock companies, with the right to cancel at any time.

A Rockford, Ill., **firebug,** Frank F. Defrusen, **hanged himself** in jail in that city on Sunday. He was responsible for a score of recent fires, and after being arrested and put in a cell committed suicide within ten minutes after being identified by several persons who suffered loss by fire.

The **resignation** of First Deputy State Fire Marshal I. B. Lentz of Ohio has resulted in the promotion of Deputy O. F. Hartupee, of Columbus, and the appointment of James Dundon, former chief of detectives at Columbus, as a deputy.

The Century Building at Indianapolis was damaged $10,000 **by sprinkler leakage,** following the opening of a number of heads over a burning cuspidor. The fire was extinguished, but the alarm failed to work and the watchman knew nothing of the occurrence for several hours.

Retail merchants of Oklahoma City have completed the temporary organization of the **Oklahoma Retailers Fire** insurance company, whose charter calls for a capitalization of $250,000, and like surplus. The company will begin writing business by the first of the new year.

The **Four States Life** of Texarkana, Ark., is in process of organization, and a charter has been granted. The company is capitalized at $300,000, with $100,000 of surplus. It proposes to write life, health and accident insurance in Oklahoma, Texas, Louisiana and Arkansas.

The **judges in** the National Association of Life Underwriters' **prize essay contest** on "The Appeal That Persuades in Soliciting" are to be Prof. Thomas F. Moran, of Purdue University; B. F. Hadley, of the *Eastern Underwriter,* and W. H. Burr, of the *Indicator.*

The **lowest theatre rate in the country** has been made on the new Walnut Street Theatre at Louisville, Ky., which is of a construction complying with the city ordinances and approved by underwriters. The rate is 53 cents on building and $1.03 on contents.

The construction of a **water storage reservoir** on Mount Prospect, **near Binghamton,** is under way, as recommended by National Board engineers. At present extra pressure is put on the mains from the pumping station whenever a fire alarm is rung in.

By agreement of counsel the **date for the trial** of the members of the executive committee and Virginia committee of the South Eastern Underwriters' Association at Newport News has been **changed** from the middle of September to October 17.

The plan of increasing the capital of the **Farmers and Merchants Fire** of Lincoln, Neb., by offering stock to policyholders by mail is a success. Shares are being sold at $150, the $50 to go to surplus. The increase is to be from $200,000 to $500,00.

The **State Life of Enid, Oklahoma,** of which N. G. McKeever is president, expects to be ready for business before January 1. The capital and surplus will be $150,000 each, and operations at first will be confined to the home State.

The **New York Life** had a policy for $5,000 on the life of W. L. Rice, the wealthy Chicago attorney who was murdered recently. The original application was for $100,000, but Mr. Rice decided to take the smaller policy instead.

The capital stock of the **Widows' and Orphans' Fund Legal Reserve Life** of Springfield, Ill., is to be increased from $100,000 to $300,000, and the name is to be changed to the Marquette Life. Several other States are to be entered.

The office of **fire commissioner at Boston,** over which there has been some trouble, has again been filled by Mayor Fitzgerald by the appointment of Charles Dudley Daly, who is a graduate of West Point.

The **Holland-American Mutual Fire** insurance company, founded by Holland-Americans of Paterson, N. J., was given

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authority to begin business by the New Jersey Insurance Department this week.

The Pacific Coast agents of the **Travelers** will hold their annual meeting at Lake Tahoe, Cal., August 15 to 20. The Eastern agents will meet at Frontenac, in the Thousand Isles, September 15.

Stockholders of the **Equitable Fire of Charleston, S. C.**, have agreed to supply the $31,500 lacking to complete the authorized capital of $200,000. Operations will be confined to the Southern field.

The **Kansas City Life** has turned over to the Missouri Insurance Department approved securities amounting to $101,650, making its deposit $1,283,272, the largest of any Missouri company.

The Omaha school board has decided to **carry its own insurance**, setting aside $5,000 each year until a fund of $50,000 has been created. The annual premiums have been $3,000 a year.

Officers of the Occidental Life of Albuquerque, N. M., are interested in the organization of the **Occidental Fire** of that city, which is to have a capital and surplus of $200,000 each.

The **Louisiana Fire Prevention Bureau** has sent to the companies a circular detailing the various features of the new fire rating law and the probable methods of its enforcement.

The **water supply** at Parkersburg, W. Va., has been found to be **inadequate** by engineers of the National Board of Fire Underwriters. The building of a reservoir is recommended.

The stockholders of the **Security Fire of Davenport** have approved the increase in capital from $100,000 to $200,000, so as to enable the company to extend its field of operations.

The personal record of Sidney Rosenthal, of the Chicago general agency of the Prudential, **led all the special agents** of the company during the first six months of the year.

The **Nebraska Rating Bureau** has increased the allowance under the reduced rate contribution clause in Omaha and other cities having high grade municipal fire protection.

The case of a Wisconsin agent who is alleged to have placed a large amount of **insurance on a risk after a fire**, dividing the proceeds with the insured, is being investigated.

The **Business Men's Life of Louisville**, an assessment concern of three years' experience, has given its business over to the Inter-Southern Life of the same city.

The **Potomac insurance company of Washington** has declared a dividend of 1¼ per cent., the first since the Baltimore fire. The present officers were re-elected.

The **English-American Underwriters Agency** of Liverpool is a new acquisition to the Suburban Fire Insurance Exchange of New York.

The only French fire insurance company doing business in Missouri is the **General of Paris**, licensed this week by Superintendent Blake.

The **Peerless Fire of Waco, Tex.**, is now being organized by C. C. Beckley, with a proposed capital of $500,000 and surplus of $100,000.

The **East Tennessee Indemnity** of Knoxville, a live stock concern, has applied for a charter. It is to have a capital of $100,000.

The Government estimates that the **cost of fighting forest fires** in the Northwest this summer has been about $7,000 per day.

The **Michigan Association of Local Fire Insurance Agents** will hold its annual meeting at Port Huron August 30 and 31.

The **Republic Life of Kansas City** is busy placing its additional stock, lately increased from $100,000 to $300,000.

The **Northwestern National Life** of Minneapolis has withdrawn from California.

The **Calumet Fire** has been licensed in Louisiana.

Personal.

AGENCY APPOINTMENTS.

Aachen and Munich: Louie J. Leonard, special agent for Georgia and Florida, with headquarters at Atlanta, effective September 1.

Berkshire Life: Winfield S. Weld, superintendent of agencies at the home office.

Calumet Fire: H. F. Owsley, agent in Louisiania, with headquarters in New Orleans, for reinsurance lines only.

Citizens of Missouri: S. A. Adams, special agent in Kansas, with headquarters at Wichita.

Detroit Fire and Marine: J. B. Brown, of Denver, general agent for Colorado.

Dixie Fire: Edward G. Michaels, special agent for Virginia and Tennessee.

John Hancock Mutual Life: T. W. Boruff, general agent for central and southern Illinois, with headquarters at Decatur.

North British and Mercantile: R. E. Hartshorn, special agent for Kentucky and Tennessee, succeeding E. W. Bentley.

North British and Mercantile: Frank W. Brodie, special agent for Connecticut, with headquarters in Hartford, effective September 1.

Old Colony Life of Chicago: Charles H. Johnston, formerly Iowa ordinary manager for the Prudential, superintendent of agencies at the home office.

Philadelphia Casualty: Alfred D. Hodson agency, Brooklyn representation for automobile lines.

Standard Fire of Hartford: Thor. Schreiber, special agent in Michigan and Indiana; Fred W. Peters, special agent for Ohio, with headquarters at Marion.

Mr. Edward B. Hatch, secretary of the governing committee of the Western Union, has been making a tour of the Eastern cities to investigate the various methods of rating sprinklered risks, and will report the results to the special committee in charge of the subject, which will prepare a report for the annual meeting of the Western Union in September.

Mr. S. W. Cornwell, for four years connected with the sprinklered risk department of the South Eastern Underwriters' Association, will on September 1 leave Atlanta to accept a position with the firm of Fred S. James & Co. Mr. Cornwell will be succeeded by J. C. Priolian, who has been connected with the inspection staff for some time.

Mr. B. H. Abrams, for several years State agent for the Liverpool and London and Globe insurance company for Alabama, Georgia and Florida, died at Atlanta Thursday. Mr. Abrams was one of the most widely known insurance men in the South, and his death will be universally regretted.

Mr. J. W. Crooks has resigned as secretary of the Western and Southern Life insurance company of Cincinnati, to take a position with the Great Northern Life of Toledo. Mr. Crooks was for a number of years chief examiner of the Ohio Insurance Department.

Mr. William Augustus Walker, for forty years a Wall street lawyer, and founder of the New York Lloyds for marine underwriters, died at Nyack Monday. He was founder and president of the Average Adjusters' Association of New York city.

Mr. Samuel L. Baker, formerly with the Pacific Mutual Life, and more recently with the Southern Pacific Railway Company, has joined the staff of the Ocean Accident and Guarantee Corporation as adjuster.

Mr. George A. Boissard, of Cincinnati, has been elected second vice president of the Wisconsin State Life insurance company, with headquarters in Madison.

Mr. George H. House, of Saginaw, Michigan, a member of the Michigan Inspection Bureau, died August 9.

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Casualty and Surety Insurance.

A few of the more **unusual accidents** of the week are: A Wilmington, Del., man was swept from his wagon while fording a creek and was drowned.

A Laurel, Del., girl fought two black racer snakes until she killed one, but was bitten by the other and died later of fright.

A New Brunswick woman fell from a small table on which she was standing to have a dress fitted and broke two ribs.

A Chicago policeman killed one of a couple of street fighters who had fatally shot another policeman who had endeavored to stop the encounter.

A Colorado boy was kicked by a horse and died.

A New York woman who jumped from a Sound boat to save an army recruit from drowning was bitten on the arm by the soldier. The woman narrowly escaped drowning.

By the explosion of a water boiler in a New York bakery an 8 inch concrete wall was wrecked and two bakers were severely scalded.

By the accidental slipping of a gas tube from a gas plate a mother and her baby were asphyxiated in a New York kitchen.

A brindle bulldog in Harlem bites policemen whenever it can get an opportunity; several victims have been reported of late.

A New Jersey train caught a suit case held by a Westwood passenger and dragged the man along the platform, causing internal injuries.

A Grantwood, N. J., man tried to board a moving train and the wheels cut off his arm and part of his hair. Many thought he had been decapitated.

A Colorado mine superintendent fell 300 feet down a shaft to instant death on account of the breaking of a plank over the opening.

An Anderson, N. J., man fell down a flight of stairs and his head was driven through the floor planks. He was rescued unhurt, except for a slight bruise.

A hook on a Newark truck caught a street car conductor's trousers and dragged him from the car. The conductor saved himself by clinging to the pole of the truck.

A New York girl fell from a third floor window and reached the ground unhurt, because she bounced from clothesline to clothesline on the way down.

A Pittsburgh aeronaut was blinded by a searchlight when 2,000 feet in the air, and came down on a stone roof, sustaining fatal injuries.

An Ohio attorney died this week as the result of a bruise sustained in a football game ten years ago.

A Brooklyn man was killed, and his wife injured, in Yellowstone Park, by the sinking of a touring coach in which they were riding.

At Spencer (N. Y.) Lake a summer camper strained his back while carrying a heavy can of water, and later fainted from pain, and was saved from falling from a boat by quick work of his companion. Still later, while diving from a boat, his bathing suit caught on a nail, holding him head downward in the water. He was again rescued just in time.

A Newark boy, playing with others in a sandpit, dug a cave and was suffocated under 10 feet of sand which slid down over him.

A Denver priest while riding in an automobile was thrown against the front seat and the resulting injury ruined the sight of his right eye.

A Newark tailor fainted in his room, and the neckband of his shirt caught on the radiator in such a way as to strangle him to death.

A Colorado Springs girl was struck in the leg by a stray bullet from a rifle range and severely wounded.

The conference at Albany, N. Y., on Wednesday, called by the executive committee of the International Association of Accident Underwriters, was attended by forty-nine representatives of thirty-six companies writing accident and health insurance. The new standard provisions bill was discussed, the prevailing sentiment favoring the omission of some of the "talking points" of some policies, such as the provisions covering sunstroke, freezing, quarantine, first seven days of illness, double indemnity in burning buildings and elevators, optional benefits, automatic increases and indemnity to assured's children. A committee, headed by William A. Moore, president of the New Amsterdam Casualty, was appointed to formulate recommendations as to any changes along these lines. A resolution offered by Secretary A. Duncan Reid of the Ocean Accident, providing for a committee to revise commissions in case of the elimination of the "frills," was adopted, and the following committee was named by the chair:

A. Duncan Reid, secretary, Ocean; John L. Way, second vice president, Travelers; G. M. Parker, assistant secretary, Ætna Life; F. E. Law, assistant secretary, Fidelity and Casualty; D. G. Luckett, secretary, United States Casualty; W. C. Potter, secretary, Preferred Accident, and C. E. Ward, assistant manager, accident department, General Accident.

It thus appears certain that some of the "frills" will be lopped off from the uniform standard provision policy when it is adopted. In response to a request from a committee headed by President Fibel of the Great Eastern, Insurance Superintendent Hotchkiss appeared and was cordially received, and among other things stated that he would extend the time for filing the forms until October 1. He also intimated that the companies would have considerate treatment from the department. The meeting was one of the largest in point of attendance ever held by accident executives, every accident company doing business in New York State being represented. The next meeting of the executive committee will take place on September 19 at Bretton Woods the day previous to the opening of the convention.

The latest bulletin of the **United States Treasury** Department, issued this week, gives the limit of amounts in which the various surety companies will be accepted on any one bond for the Government. The Guarantee Company of Montreal is given as an acceptable reinsuring company up to $50,000 per bond. The figures follow:

Pacific Coast Casualty, San Francisco	$64,039.94
Pacific Surety, San Francisco	38,016.25
Ætna Indemnity, Hartford	39,015.82
Illinois Surety, Chicago	30,921.29
Federal Union Surety, Indianapolis	36,179.90
American Bonding, Baltimore	146,433.97
Fidelity & Deposit, Baltimore	423,001.50
Maryland Casualty, Baltimore	219,101.10
United States Fidelity and Guaranty, Baltimore	270,950.00
*United Surety, Baltimore	30,000.00
Massachusetts Bonding and Insurance, Boston	73,467.63
International Fidelity, Jersey City	41,428.87
American Surety, New York	594,083.01
Empire State Surety, New York	59,967.70
Fidelity and Casualty, New York	337,805.36
National Surety, New York	180,535.95
People's Surety, Brooklyn	47,169.57
United States Guarantee, New York	62,257.80
†Bankers' Surety, Cleveland	54,025.59
Southwestern Surety, Denison, Tex	61,645.21
Southern Surety, Muskegee	48,916.24
Pennsylvania Surety, Harrisburg	48,914.68
Title Guaranty and Surety, Scranton	114,621.75
American Fidelity, Montpelier	68,538.56
Citizens' Trust and Guarantee, Parkersburg	51,809.66

* Temporary rating. † As computed by examination of Ohio Insurance Commissioner, as of March 31, 1910.

The Norris **workmen's compensation** law, enacted **in Ohio,** has greatly increased the hazards of employers of labor, and

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advice to this effect is being given to those who are liability insurance policyholders by their companies in a circular in which the following statements appear:

You will note that, generally speaking, you are more liable when an accident to an employee is caused by any defect or unsafe condition in the ways, works or machinery in your plant, unless by the terms of his employment he was required to report any such defect or unsafe condition, and he failed to report it. Our suggestion, therefore, is that you put into force a rule requiring employees to report any defective or unsafe condition in any of the ways, works, boats, wharves, plants, machinery, appliances or tools in any way connected with your business. That you have this rule printed, and that you require all of your employees to sign a receipt acknowledging that they have received a copy of such rule. Your attention is also directed particularly to the provisions of the act by virtue of which you are made liable where there has been a violation by you of any statute or law of the State or United States enacted for the safety of employees, or where there has been a violation of any statute or law with regard to employing minors. We suggest that you satisfy yourselves that all the machinery in your plant is guarded in such a way that you will be able to establish that you have complied with the provisions of the statute. We shall be glad, if you so desire, to make suggestions with regard to the manner in which any particular piece of machinery should be guarded.

The **excise bonding** combination which was formed by eleven of the leading surety bonding companies is now in its fifth year. Its office in the Metropolitan Building, where Albert E. Sheridan is in charge, is just now becoming a lively place, as the new excise year opens October 1, and something like 13,000 saloonkeepers are bonded there. Since the United Surety ceased New York business there remains in the combination the American Bonding, American Surety, Bankers Surety, Federal Union, Fidelity and Casualty, Fidelity and Deposit, Illinois Surety, National Surety, United States Fidelity and Guaranty, United States Guarantee. Since the association of these companies the scandals formerly connected with the excise bonding business have been done away with, and a bond costs a saloonkeeper only the regular premium rate. By dividing office expenses between companies instead of attempting to maintain ten separate offices the companies have brought about a reduction of expenses which has added much to the profits of the business. The 1910-11 forms are practically the same as last year, and there is no appreciable change in the situation.

All the agencies writing **automobile collision insurance** in Chicago through London Lloyds, which has the great bulk of that business, have been instructed from London **to increase the rates** because of heavy losses. Their decision has been delayed by the insistence of A. F. Shaw & Co. upon the inclusion of the deductible average of $25 on all claims, most of the other agencies wanting to deduct the $25 only when the loss was within that amount. It has been decided, however, that all will require the assured to bear the first $25 of each claim, no matter how large. Private cars are not affected by the changes in rate. On the present 3 per cent. class, covering limited collision damage, the rates on commercial trucks and autos for rent are made 3½ per cent., and on taxicabs 4 per cent. In the 4 per cent. class, covering full collision damage to the car insured, the rate is advanced one-half per cent. on commercial trucks and hired vehicles, and 1 per cent. on taxis. In the 4½ per cent. class, covering full collision damage to the car insured and property damage to the article collided with, the same increase is made.

New rates to be promulgated by a committee of the **Association of Automobile Underwriters** will go into effect on September 15. This was decided at the meeting on Wednesday, which also adopted stringent rules with regard to rebating and excess commissions. Another committee was named to modify the deductible average clause of collision damage policies, and still another will define the application of the general agency title.

The appointment of Howard Abrahams to be **New York manager** of the Maryland Casualty's fidelity and surety department is announced, effective September 1. Mr. Abrahams has been assistant secretary of the National Surety since January, 1909, and has a record for efficiency in surety business previous to that.

It is understood that the **Texas Surety and Insurance Company of San Antonio,** which starts with a paid in capital of $200,000 and a surplus of $50,000, placed all its stock with an organization expense of about one-half of 1 per cent. of the capital and surplus.

The Comptroller of the Currency has approved the **application to organize** the First National Bank of Wilmore, Ky., capital $25,000. A certificate was issued authorizing the Central Texas National Bank of Waco, Tex., capital $300,000, to begin business.

The recent visit of Manager Stryker of the Reinsurance Bureau of the Surety Association of America to the **Pacific Coast** is expected to result in the removal of all friction, and the conclusion of the **rate war** which has existed.

The **New England Casualty** has secured the services of William M. Olive as home office agency director. Mr. Olive has been for eleven years with the United States Casualty, recently as assistant manager at the Boston office.

The **Bankers Accident of Des Moines** has transferred F. C. Stebbins from Kenosha as manager at Milwaukee, and appointed J. A. Steinhauser as manager at St. Louis and C. R. Wilkins as district manager at Kansas City.

The National Surety has been given notice that if it continues to resist the **demand of the Continental Casualty** for $9,000 on the bond of former President Armstrong and other officials suit will be filed.

The **Maryland Casualty** has just been licensed to write plate glass and burglary insurance and fidelity and surety bonds in Canada. A deposit of $225,000 was made with the Canadian Government.

A telegram from the **Columbus Casualty Company** of Ohio says that Charles A. Irwin, under arrest on the charge of embezzlement from the company, has been bound over to the grand jury.

With $50,000 subscribed, the **promotion** of the Guaranty, Surety and Casualty of Kansas City has been **suspended,** pending proposed consolidation plans.

The **American Surety** has just written a $1,000,000 bond for the company that is to build the new Union Pacific headquarters in Omaha.

The newly established Boston office of the Maryland Casualty will be in charge of **A. A. Dority,** an experienced surety writer.

The Prudential Casualty of Indianapolis and the Missouri State Life are **seeking licenses** to write accident insurance **in Iowa.**

The **Globe Surety Company** of Kansas City, which began recently, has been licensed in Oklahoma and Kansas.

Statistics show that in the United States one person in 300,000 is **killed by lightning** each year.

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Obituary.

George P. Field.

George Prentice Field, dean of the fire insurance business in Boston, died at the Parker House in that city on August 12, after a long illness from an intestinal disorder. He returned from Bermuda, where he had gone for his health, a few months ago, but had not been at his office since then until last week. The exertion of the visit was too much for his strength, and he had to be taken to the Parker House, where he died.

He was born at Searport, Me., October 17, 1844, and was educated at Belfast, in that State, and after his graduation from the high school entered his father's insurance agency at Belfast, remaining until the beginning of the Civil War, during which he was employed in the provost marshal's department in the Sixth District of Maine. At the close of the war he was deputy collector of customs at Belfast, which position he resigned in 1866 to become assistant secretary of the National insurance company of Bangor.

In 1867 Mr. Field removed to Worcester, Mass., to take up a connection with the First National Fire insurance company of that city, first as its general agent and then as its secretary, and was with it through the Boston fire of 1872, it being the only Worcester company which survived the fire. In July, 1873, his long connection with the Royal of Liverpool began at its Boston office. He was successively special agent, general agent, superintendent of agencies and, finally, a member of the firm of Foster & Scull, the managers. Afterward the firm became Scull & Field, and then Field & Cowles, the present surviving partners being Edward B. Cowles, Herbert Damon, John A. Jennings and George Neiley.

Mr. Field was president of the New England Insurance Exchange in 1885, chairman of the Bureau of United Inspection from 1888 to 1893, and president of the Boston Protective Department the same year. He was president of the Insurance Library Association of Boston from 1900 to 1906. The Boston Board of Fire Underwriters elected him its president in 1905, which position he held three years. He was chairman of the Underwriters' Bureau of New England and resident vice president of the American Surety Company of New York.

The funeral service was held at the residence of his daughter, at Brookline, Mass., Monday afternoon, there being a large attendance of business men of Boston and many from outside cities. The Boston Board of Underwriters was specially represented by President Charles B. Wheelock, E. D. Blake, A. M. Bullard, E. C. Brush and Augustus S. Lovett. The New England Insurance Exchange was represented by President J. W. Grover and ex-Presidents George Neiley, Bayle T. Forbush, F. A. Weatherbee, J. B. Cornish, W. F. Rice, C. D. Palmer and J. J. Downey, the latter being associated with Mr. Field as special agent for many years. C. M. Goddard, secretary of the Exchange, was also on the delegation.

The Royal head office management in the United States was represented by the resident manager, Cecil F. Shallcross.

Insurance Legislation.

Georgia

ATLANTA, August 13.—The second session of the Georgia Legislature has adjourned without any addition of importance to the insurance laws. Several tax bills were passed having a bearing indirectly on local insurance companies only.

Texas.

AUSTIN, August 16.—The two Houses of the Legislature are in a deadlock over a fire insurance regulation bill. The House last week passed a substitute bill reported by the Insurance Committee for the Cureton and Terrell bills. The Senate yesterday passed its own bill by Hudspeth. The House refused to accept it, and the bill went into a conference committee, which could not agree.

AUSTIN, August 18.—The Legislature adjourned at midnight last night without an agreement on the insurance bill, and today Governor Campbell immediately reconvened the body in another special session, and recommended action on fire insurance.

When the Legislature met again today bills repealing the present rating board law were introduced in both Houses. No regulatory measures were introduced, but they may be expected later. If the two Houses do not come to an understanding the new insurance legislation, if any, will have to be postponed to the next Legislature, which is to be elected in November, 1911.

Miscellany.

NATIONAL FRATERNAL CONGRESS.

Twenty-fourth Annual Meeting Held This Week at Detroit.

(*Special Report.*)

DETROIT, Mich., August 18.—The twenty-fourth annual meeting of the National Fraternal Congress was held at Detroit from Tuesday to Thursday of this week. The session on the first day was called to order by President Thomas H. Cannon with 150 delegates present, the largest representation in the history of the congress, and the succeeding hour was devoted to the usual addresses of welcome and the responses thereto, the welcome to the State being by Governor Fred M. Warner, and that to the city by Comptroller Heineman, acting for Mayor Breitmeyer, who was absent from the city.

An interesting episode was the welcome to Dr. Edward Ryan, president of the Canadian Fraternal Association, and his response. While these exercises were taking place Insurance Commissioner Folk, of Tennessee, entered the room, and was at once called to the platform and introduced. He made a stated address later in the proceedings. As brief as his remarks at this reception were, it gave him the opportunity to make the first reference to the question of this session, that of adequate rates and the legislation necessary to enforce them.

PRESIDENT CANNON'S ADDRESS.

How large a place this question was to have was outlined in the weight given it in the annual address of President Cannon, which after a brief preliminary plunged into the subject, and had this to say of the tentative uniform bill:

During the past year there have been two important conferences between the fraternal committee of the Insurance Commissioners' Convention and the officers of fraternal societies for the purpose of formulating a uniform fraternal society law. The first of these conferences was held in Chicago and the second in New York. At the first conference a tentative bill was drafted. This bill was the outcome of an exhaustive discussion between the insurance commissioners and the society representatives. It was not entirely satisfactory to all concerned, and after it was printed and circulated a final conference was had on May 15 in New York for the purpose of overcoming the objections raised and of molding the bill into more satisfactory shape to all those interested.

The insurance commissioners' fraternal committee take the position that all fraternals should be placed upon a safe and solvent basis, and that the societies should be compelled to take such steps in regard to rates of assessments as would place them upon this footing, and that this result should follow by mandatory legislation governing all societies alike. The societies' representa-

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tives were informed that this was the purpose of the insurance commissioners, and that unless the societies would agree, legislation in the nature of a force bill would be pressed by the insurance commissioners.

The outcome of the New York conference was a compromise tendered by some of the representatives of the fraternal societies, which in brief provided that those societies at present not having adequate rates of contribution might be allowed, within a reasonable time, to progress to a condition of solvency. This compromise is incorporated in Section 23a of the revised tentative bill, which will be before this congress for discussion and action.

Your executive committee stood firmly for the principles of the National Fraternal Congress, as heretofore enunciated, and informed the conference that they had no authority to bind the societies of the congress. They decided, however, to report upon the compromise of the bill to this congress, and are agreed that the revised tentative bill, under the circumstances, is the best that can be secured and will insure the united co-operation of all fraternals in the enactment into law of a uniform bill.

At the conference the representatives of those fraternal societies which do not measure up to the standard of solvency all proclaimed their desire to reach that standard, but wished to be given reasonable time to reach that goal without being compelled immediately to do so. On the outcome in the various legislatures of the enactment of this revised tentative bill the action of this congress with reference to it will have great weight and influence.

Should the revised tentative bill become the law generally in our States our National Fraternal Congress may then include after a few years all the reputable fraternal societies of the land.

REPORT ON STATISTICS.

The report of the committee on statistics and good of the orders was read by Chairman D. P. Markey, and announced a death rate among the forty-three societies reporting for 1909 of 9.81 to the thousand, as against 9.26 for the fifty-five societies reporting in 1908. In the report on mortality by ages the figures of forty-three societies were given, including two of the largest, not now members of this Fraternal Congress. By the inclusion of these the expected deaths (by the congress table) were shown to have been 36,120, while the actual deaths were 33,324, a ratio of less than 92 per cent.

The inclusion of the figures of these two societies renders it impossible to determine from the report the ratio of expected to actual deaths among the forty-three societies now members of the congress; but as the two others are among the largest in the country, and have a death rate of but about 70 to 75 per cent. of the tabular, it is a fair presumption that the actual mortality rate among the forty-three is well up to the table, if not slightly over it.

The report called attention specially to two matters, as follows:

First, the increased strength financially of these associations compared with what it was ten years ago. In 1899 there were forty-seven societies in the congress, with a benefit membership at the close of the year of 2,493,854. They had protection in force at that time amounting to $4,021,869,290, and they had money in their benefit fund at the close of the year amounting to $9,165,057. The forty-three societies represented in this congress had a membership at the close of last year of 2,547,003, and protection in force amounting to $3,094,116,819.22, and the balance in the benefit funds at the close of the year was $60,295,778.82; in other words, while the present membership is larger and the protection less by more than one billion dollars, the funds in the treasury to safeguard this is six and a half times as great as it was ten years ago. This clearly indicates the growing tendency on the part of these associations to get right financially; in other words, to make their contributions approximate the equivalent of their promised benefits, and while it is not contended that there is a sufficient amount in the treasury of all these societies to do this, they have greatly increased their ability to perform and carry out their contracts during this period of time.

On the other hand we wish to call your attention to the matter of the expense of doing the business. Ten years ago the forty-seven societies represented in the congress at that time spent for general expenses $3,926,820, while last year the forty-three societies represented in this congress spent $5,148,798. Here you will notice is a large increase in the expense of management, and this can be traced back to what has been termed the growing tendency toward too much commercialism and too little fraternalism. The business has been placed too largely on a commercial basis, the influence of the local bodies as solicitors and agents in the recruiting of the business of the association has not maintained its former power, too little work is being done by the individual members, and as a result too much work is being done by the general management—that is, too much for the good and welfare of the system. The element of co-operation is lacking today in large measure as compared with ten years ago, even in those societies that are doing the most in the way of increasing membership. The situation in the judgment of your committee is the most serious one confronting us today, and has a natural relationship to the other serious conditions affecting us, namely, that of the unequal and unfair competition resulting from lack of substantial uniformity in the matter of contributions to the benefits promised.

In concluding the report the committee emphasized the necessity as well as the justice of adequate rates.

ADDRESS BY INSURANCE COMMISSIONER FOLK.

"Problems Confronting Fraternal Insurance" was the title of the address of Commissioner Folk of Tennessee, chairman of the committee on fraternal insurance of the National Convention of Insurance Commissioners. He said in part:

The most serious of these problems with which the fraternal system has to deal is that of having rates of contribution so adjusted that each member's payments will be in accordance with the benefits he is promised and the risk assumed for him by his society. Allied to that is the problem presented by the necessity for taking such forethought of the future that members living to an advanced age may suffer no injustice and no unwarranted disappointment. A third problem is involved in cases where level rates are collected and a member pays in more than the current cost during his younger years. It is essential to soundness that such excess be maintained as a trust fund for the purpose of meeting the deficiency between his payments and the current cost of his risk in his older years. Another problem, and one probably most difficult of solution, is that presented by societies having members who for years have been upon an inadequate contribution basis. It has been met by some societies when readjusting, by the creation of liens against the certificates. Another way of meeting it is by conversion of whole life inadequate certificates into term certificates for such length of time as the contribution rate will justify. I am not prepared to say what method is best. What would be desirable for one society might not suit the condition of another. But on the wise and the proper determination as to this and the other problems I have mentioned, and others of kindred nature, depends the future of our fraternal system.

No man or institution can continually borrow against the future without reaching some time a day of reckoning. Those of our societies which are pursuing this course of borrowing from the future should be made to see the necessity of ceasing such imposts before the hour comes when the reckoning will be disastrous.

As to what would happen if no agreement is reached, the commissioner spoke in no uncertain tone as follows:

If nothing should be done looking toward the advancement of the fraternal system to a more staple basis, the years might not be many before some untoward circumstance might occur that would lash the public into a storm and bring it into the field "with its axe." But I can see no reason, with the sentiment now prevailing in this congress and among fraternal leaders generally, why the commissioners and the fraternals cannot find a common ground on which they can stand. I think I state the position of the commissioners fairly when I say they are willing to go far in making a compromise if something can be agreed upon which will represent a distinct and definite step toward the goal of ultimate soundness and scientific stability in fraternal insurance.

After thanks were voted to Commissioner Folk the meeting was adjourned to Wednesday.

WEDNESDAY'S PROCEEDINGS.

The two sessions of the second day were given up, with the exception of the reception of reports of a few committees, to the discussion of a tentative uniform bill prepared by the insurance commissioners. The discussion on the several sections of the bill was earnest, and, at times, warm. The strongest fight was on Section 5, Sub-section 2, which permits orders that accumulate the full whole life reserve to pay withdrawal values.

This was attacked as "non-fraternal," and in the course of the discussion Mr. George D. Eldridge, who drafted the subsection in the words in which it appears in the tentative bill, was invited to address the congress on the matter of surrender equities. While the first attitude of the congress to-

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ward the provision was distinctly adverse, the final vote retained the provision with scarcely a dissent.

The congress struck out in two sections the right given the insurance commissioners to proceed for the closing of an order on the ground that in the opinion of the commissioner the order "is not carrying out its contracts in good faith."

THURSDAY'S PROCEEDINGS.

The congress adopted the insurance commissioners' revised tentative bill, including the section providing for valuations, without amendments affecting any underlying principle, and its action was regarded as the longest step yet taken toward adequate rates.

COMMISSIONER HARTIGAN ON FRATERNAL EXPENSES.

Insurance Commissioner Hartigan of Minnesota addressed the congress on the subject of expenses of fraternal beneficiary societies. He said:

It is a privilege to address you, representing as you do the fraternal beneficiary societies that stand for what is best in fraternal protection, for adequate rates, without which your system cannot endure, for honest treatment of members and for the elimination of fraudulent and deceptive schemes and practices. I speak not as an outsider, but as one who for nearly twenty-five years has been a member of these societies and has taken an active interest in them.

A fraternal beneficiary society has two distinct functions: the first, to unite fraternally its members to the end that each may be furnished, according to his needs, aid, consolation, assistance, sympathy and friendship. While the individual is aided in these ways the community benefits from this cultivation of the altruistic spirit. These societies preach and practice the doctrine of the brotherhood of man, and both individual and community are benefited.

The second function is to provide substantial benefits for the dependents of the member upon his death.

The first function may be exercised without the second, but in our American fraternal beneficiary societies the two are combined. With the first we have little to do. Each man can easily decide for himself whether he is receiving value for what he gives, either in direct aid or benefit to himself or through the satisfaction of doing good to others.

The second function, that of furnishing specific benefits to the dependents of members, is life insurance. The appeal of fraternal societies to the public has been that they provide this insurance at the lowest possible cost. Let us consider for a moment whether it is being so furnished, and, if not, in what items the expenses are excessive and consequently open to reduction.

The older secret societies limited their material aid to the needs of the dependent, and the contributions were in proportion to the means of the contributors. Contributions were voluntary. No fixed sums were ever promised or provided. The whole transaction was upon the sole basis of fraternity. He who had gave to him who had not. No salaries were paid, or, if paid at all, the amount was a negligible one. Each member took his turn in discharging the duties of the different offices, and thus contributed his share to the general welfare. The general thought was "what can I give," not "what can I get."

Death benefits of considerable amount, paid from the graded contributions of the protected, call for entirely different financial and business methods, but the change need not extend further.

ORIGIN OF THE FRATERNAL BUSINESS.

The fraternal societies were started in this country in the early seventies as a protest against the high cost of legal reserve insurance. The originators of these societies knew that by eliminating the cost of new business they could make a saving to their members; they also believed the mortality cost could be kept at a low figure on account of the constant and rapid growth of the societies.

I need not take any of your time to demolish the "new blood" theory. Everyone is familiar at the present time with fixed mortality cost, and realizes that this cost must be the same in every company or association, provided the risks have been selected with equal care. The money collected by an association of any kind doing a life insurance business is paid out for two purposes: death benefits and expenses. As the death benefits are fixed by the laws of mortality, the only place where economy can be practiced is in the matter of expenses. Many of the fraternals have conducted their affairs in such a manner as to make substantial savings to their members. Others have shown a wasteful extravagance in their expenditures, the outlay on this account not being justified either by conditions or by results obtained. Total expense must increase with size, but the ratio of expense to income should steadily decrease. We find, however, that this ratio has increased, and in a surprising degree.

In the year 1893 thirty-nine fraternal organizations reported to the New York Insurance Department. Their receipts were $22,778,763 and the disbursements for expenses were $1,224,247, being 5.37 per cent. of the receipts. In 1908, fifteen years later, seventy societies reporting to the same department had total receipts of $73,438,636 and expenses $7,867,999, or 10⅔ per cent. of the receipts.

You will note that while the business was three and a quarter times larger, the expenses were seven times greater; in other words, the expenses had increased twice as fast as the business.

In the latter year there was paid to organizers alone by these societies $1,514,560, an amount considerably in excess of the total expenses in 1893.

During the year 1909 the receipts of sixty-five fraternal organizations reporting to the Minnesota Insurance Department were $72,442,736 and the disbursements for expenses $8,651,016, practically 12 per cent. During the same year the expenses of thirty-three legal reserve life insurance companies reporting to the same department were 15.74 per cent. of the total income.

CAUSES OF THE INCREASE IN EXPENSES.

The increase of expenses in fraternal societies is due principally to two causes: first, the adoption of the deputy system, and, secondly, the multiplication of salaried officers; in other words, to a commercializing of the fraternal system. The fraternal system was built upon the cornerstone of low expense. New members were brought in by those who were already members; salaried officers were few and salaries were small; the incentive to work was the inspiration and call of true fraternity. With the multiplication of societies, and the consequent struggle for new members, came a gradual change in methods. Paid deputies were substituted for the voluntary workers; the number of salaried officers was increased, generally as the result of a need for more men to supervise a rapidly increasing business; in some few cases, perhaps, as a means to strengthen the hold of the officers on the control of the society, and in others in response to the unfraternal and selfish demand for a participation in the loaves and fishes. The deputy system is a serious handicap to the ultimate success of the fraternal society. It increases the cost of securing new business; it discourages and effectively stops the efforts of those who formerly secured new members without any financial reward; it results in the adoption of many unfit for admission from a physical, social and fraternal standpoint. The high pressure methods used at times by the deputies bring in a class who, being unfit for membership, stay but a short time and produce nothing but a high lapse ratio.

EMPLOYMENT OF DEPUTIES.

I do not mean that deputies should not be employed for the institution of new lodges. This is generally necessary; but the lodge once instituted should grow through the efforts and work of its own members. There is no surer way of preventing growth in this, the natural and legitimate way, than by providing deputies. The waste of money and effort possible in the use of the deputy system is shown by the following figures, showing the net gain made by several societies and the expense for organizers:

Society No. 1.—Expense for organizers during 1909, $67,500; net gain, 17 members; cost for each member gained, $4,000.

Society No. 2.—Expense for organizers, $82,000; net gain, 3,000 members; cost for each member gained, $27.

Society No. 3.—Expense for organizers, $50,000; net gain, 7,000 members; cost for each member gained, $7.

Society No. 4.—Expense for organizers, $41,000; net gain, 16,500 members; cost for each member gained, $2.50.

Society No. 5.—Expense for organizers, $4,000; net gain, 2,000 members; cost for each member gained, $2.

Society No. 6.—Expense for organizers, $150; net gain, 6,000 members.

A study of these figures is illuminating and instructive. They are taken from the sworn reports of fraternal societies reporting to Minnesota.

THE SALARIES PAID TO OFFICERS

show as great divergence as do the figures quoted above. To illustrate:

Society A.—Income, $184,000; salaries, $13,000; 7½ per cent. of income.

Society B.—Income, $500,000; salaries, $16,000; 3½ per cent. of income.

Society C.—Income, $500,000; salaries, $4,000; three-fourths of 1 per cent. of income.

Society D.—Income, $600,000; salaries, $4,500; three-fourths of 1 per cent. of income.

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SECOND GROUP.

Society E.—Income, $1,100,000; salaries, $38,000; 3½ per cent. of income.

Society F.—Income, $1,500,000; salaries, $8,000; one-half of 1 per cent. of income.

I shall not attempt to justify the basis I have adopted for comparison, but I may say that I know of no better limit to expenses than that fixed by income. Even fraternal societies should cut their garment according to their cloth.

It must be evident from the above figures that growth is not dependent upon the amount paid to organizers, nor is efficiency of management to be measured by the number of officers and the amount paid in salaries. It might almost be argued that the greater the sum paid for deputy work the less the vitality shown by the society, and that officers' ability is in inverse ratio to their number and the sum paid them. The strength, vitality and efficiency of a fraternal society must be measured by other standards. Every dollar collected by these societies from their members must be put to its legitimate use. Upon this use rests the future of many dependents. Even the smallest extravagance may mean to someone the difference between independence and poverty.

MUST BE COHESIVE.

No fraternal society will gain success unless its membership is cohesive, and the forces that bind it together must be those of unselfishness. This unselfishness must permeate the order, and must extend even to the governing body and to the highest officers. Unless a man has something to give to his order he does not belong in it, and this is true whether he be a humble member or an exalted officer.

Gentlemen, I am no prophet, but I see a time of trial coming for these associations; a time when every effort must be put forth to preserve them; a time for which preparation must be made; every weakness must be eliminated; there must be a return to the economical methods of the past by those who have deviated from them.

The fraternals, with their millions of members and their billions of liabilities, are not the problem of any one man or of any one group of men. It is a problem that is national in its scope, but it is particularly your problem, representing as you do the governing bodies of these great societies. It is your duty to see that the members are informed of the true conditions, and to work for such improvements, be they legislative or otherwise, as will preserve, fortify and perpetuate this great institution.

At the conclusion of Commissioner Hartigan's address the congress proceeded to the election of officers. John J. Hynes, of Buffalo, of the Catholic Mutual Benefit Association, was elected president; D. P. Markey, of Port Huron, Mich., of the Maccabees of the World, vice president, and C. A. Gower, of Lansing, Mich., was re-elected secretary.

Mackinac was selected as the next place of the annual meeting of the congress.

Policies Ready Under the New Liability Law of New York.

Notwithstanding the general uneasiness among liability underwriters as to what the future is to develop on account of the new employers' liability laws in New York State, they feel that the new liability policies agreed upon by the companies for use after September 1 have been well built, and that the changes which will doubtless be required from year to year as new legislative enactments are made affecting employers' liability and workmen's compensation may be made with little effort, as compared with the strenuous work of the committee of seven this summer. It is universally conceded that the new Wainwright-Phillips bill has not only removed the defenses of contributory negligence and fellow servant's negligence, but it has added largely to the list of occupations classed as hazardous. The companies, therefore, determined that new forms and new rates were obligatory. It may be said that work on these was started much later than it might have been, since the companies felt sure that the Governor would veto the bills on account of their drastic features, and it is also true that the liability companies failed to oppose them in the Legislature as strenuously as they might for this same reason.

However, after being assured by competent attorneys that the laws will doubtless be held to be constitutional, and that they will unquestionably greatly increase the number of damage suits following injuries, work was started on the new forms and rate manual. Numerous meetings were held, and every feature of the new situation discussed and investigated. On Saturday of last week final approval was given to the rates and forms which had been reached. At the close of the meeting adjournment was taken, subject to call, but the announcement was made that no further general meeting of companies would be held again soon, the committee of seven being continued with power to handle all situations as they may arise.

General commendation of the result of the committee's labor is expressed. Following the adoption of the new forms and rates the companies have been active in sending notices to their policyholders. A few have sent notices of cancellation effective at midnight of August 31, while others have directed their agents to make a thorough canvass of customers to determine how many wish to secure the additional coverage needed under the new law. These latter companies will provide forms expressly exempting the companies from liability under the new laws in case the policyholder does not care to pay additional premiums. The five forms of indorsement agreed upon are so arranged as to permit any employer to select the kind of indemnity that will cover his liability, and when combined will include all insurable risks.

In announcing the new rates the companies admit that court decisions may lead to changes, as the most ample interpretation has been kept in mind during the work of the committee. For instance, the law is not clear as to whether only the iron and steel workers on buildings with iron and steel structures are entitled to its benefits, or whether every laborer on such buildings comes under its provisions. The committee has taken the view that all workmen are so included. In its provisions as to electrical hazards no distinction is made by the law between the electrician who installs a doorbell outfit and the one who works on wires carrying high power currents. Consequently, there will likely be plenty of opportunity for court decisions affecting rates.

INCREASED RATES.

The new manual will show decided increases, as has been predicted, on all forms of liability business, including, besides, employers, teams, automobiles, general and elevator insurance.

Typical total premiums based upon each $100 of payroll under the trades which require compensation are compiled as follows:

	Emp. Liability.	Public Liability.	Compensation.
Iron men, erecting steel and iron frame structures, not bridges	$7.50	$4.50	$5.00
Fireproof doors	3.00	1.00	3.25
Fire escapes	6.00	2.00	4.00
Gasfitters	1.25	.25	2.00
Masonry work	3.00	1.00	2.50
Electric light and power companies	3.75	1.50	1.25
Bridge building, metal	7.50	2.00	5.00
Automatic sprinklers—away from shop	1.50	.50	2.25

The minimum premium demanded for the different classes of policies will probably be as follows:

Manufacturers' employers' liability, $25; manufacturers' employers' liability and public liability written concurrently, $25; employers' liability, contractors' and stevedores' schedules, $50; employers' liability and public liability, contractors' and stevedores' schedules written concurrently, $50 (blasting, additional $25); mines, all kinds, employers' liability or public liability, or both written concurrently, $50; quarries, employers' liability or public liability, or both, written concurrently, $50; owners' contingent liability, $25; workmen's compensation in addition to employers' liability, $10.

When written concurrently with a "teams" liability policy, the minimum premium on a manufacturers', employers' or public liability policy will probably be $15. The total minimum, including "teams," will not be less than $25.

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1860 50TH YEAR 1910

HOME LIFE INSURANCE COMPANY

OF NEW YORK.

GEORGE E. IDE, President

ASSETS, $23,626,018.63 LIABILITIES, $21,858,691.52 (Including Deferred Dividend Fund)

Dividend-Endowment Fund (Deferred Dividends)	$2,119,044.00
Net Surplus	1,767,327.11
Insurance in Force	92,532,583.00

The Record for 1909 shows the following GAINS:

Insurance in Force	$4,164,239.00
Assets	1,917,117.00
Deferred Dividend Reserve	148,581.00
Contingency Reserve (Surplus)	655,149.17

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German American Insurance Company New York

STATEMENT JANUARY 1, 1910

CAPITAL

$1,500,000

RESERVE FOR ALL OTHER LIABILITIES

8,222,018

NET SURPLUS

6,440,211

ASSETS

16,162,229

GERMANIA

FIRE INSURANCE COMPANY

Organized 1859 **NEW YORK**

Cash Capital	$1,000,000.00
Assets	$6,562,339.14
Net Surplus	$3,008,419.02
Surplus for Policy Holders	$3,008,419.02

HEAD OFFICE: Cor. William and Cedar Streets

The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1910	$3,470,509.30
Total Liabilities, except Capital	1,920,837.24
Capital	500,000.00
Surplus to Policyholders	1,549,672.06

F. F. BUELL, Special Agent, Troy, N. Y.

Provident Life and Trust Co.

OF PHILADELPHIA.

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FOUNDED 1792

Insurance Company of North America

232 Walnut Street, Philadelphia

Assets, January 1, 1909 ..... $12,014,062.63

LIABILITIES—Reserved for Reinsurance and all other claims	$7,263,156.97	
Capital Stock	3,000,000.00	
Surplus over all Liabilities	1,750,905.66	$12,014,062.63

Agents in all the principal towns and cities.

EUGENE L. ELLISON, President.

T. HOUARD WRIGHT, Secretary. HENRY W. FARNUM, Assistant Secretary.

BENJAMIN RUSH, Second Vice President. JOHN O. PLATT, Assistant Secretary.

Surplus to policyholders, $4,750,905.66.

Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

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GEO. E. KEENEY, President. THOMAS F. LAWRENCE, Secretary

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1828. THE 1910.

Pennsylvania Fire Insurance Company

OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,349,097.67
Surplus	2,233,426.43
Total January 1, 1910	$7,332,524.10

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

INCORPORATED 1851.

Berkshire Life Insurance Company

OF PITTSFIELD, MASS.

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W. D. WYMAN, Vice-Pres. and Treasurer. J. M. LEE, Actuary.
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BRITISH AMERICA ASSURANCE CO.,

INCORPORATED 1833.

Head Office: TORONTO, CANADA.

UNITED STATES BRANCH.
JANUARY 1, 1910

Assets	$1,556,740.94
Liabilities	902,438.61
Net Surplus	$654,302.33

HON. GEO. A. COX, President. W. R. BROCK and JOHN HOSKIN, K.C., LL.D. } Vice Presidents.
W. B. MEIKLE, General Manager.

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Ins. Co. of America.

NEW YORK.

The Philadelphia Casualty Company

WALTER LE MAR TALBOT, President

Our New Accident Policy is Perfection
IT'S THE POLICY YOUR CLIENT WANTS
IT'S THE POLICY THAT'S EASY TO SELL

Personal Accident, Health, Liability, Automobile, Plate Glass and Credit Insurance.

AGENCY CORRESPONDENCE SOLICITED

The Columbian National Life Insurance Co. of Boston, Mass.

LIFE, ACCIDENT AND HEALTH INSURANCE

The Only Massachusetts Non-participating Company.

The New Columbian Policies are Unexcelled in Clearness and Liberality. Good Contracts and Territory for Good Producers.

ARTHUR E. CHILDS, President

COMMERCIAL UNION ASSURANCE CO.

LIMITED,
OF LONDON.

OFFICE:

Cor. Pine & William Sts., New York.

1894 1910

The State Life Insurance Company

Indianapolis

UNEQUALED IN SOLID ACHIEVEMENT

Assets Dec. 31, 1909, $8,580,830.58. Surplus 1909, $1,174,606.34.

GROWTH UNPARALLELED

	Gain in Admitted Assets	Gain in Surplus
1907	$1,001,409.00	$27,775.00
1908	1,023,700.00	153,161.00
1909	1,201,977.14	314,044.74

Eight Million Dollars in Securities Deposited With the State of Indiana.
This is $848,861 more than is required by law.

MOST ATTRACTIVE AGENCY CONTRACTS
Our Own Idea.
Every Contract Direct With the Company.
Scores of Good Men Have Joined the State Life Field Force since January 1, 1910.

On all Agency matters address: CHAS. F. COFFIN, 2d Vice-Pres., 1231 State Life Building

Insurance Brokers

PLACE YOUR

SURETY AND CASUALTY

BUSINESS IN THE

"Empire"

CAPITAL, $500,000

Business producers not now under contract wanted for open territory

Address AGENCY DEPARTMENT

THE EMPIRE STATE SURETY CO.

84 William St., NEW YORK.

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HOME OFFICE OF THE

Metropolitan Life Insurance Co.

INCORPORATED BY THE STATE OF NEW YORK

The Company OF the People, BY the People, FOR the People.

PROOF OF PUBLIC CONFIDENCE

This company has more premium paying business in force in the United States than any other Company, and for each of the last 16 years has had more New Insurances accepted and issued in America than any other Company.

The number of Policies in force is greater than that of any other Company in America, greater than all the Regular Life Insurance Companies put together (less one), and can only be appreciated by comparison. It is a greater number than the Combined Population of Greater New York, Chicago, Philadelphia, Boston, St. Louis, Cleveland, Cincinnati, San Francisco, Pittsburg, Baltimore, New Orleans and Buffalo

ASSETS.	
Municipal and R. R. Bonds and Stocks	$123,346,161.39
Bonds and Mortgages	105,183,172.02
Real Estate	23,311,215.72
Demand Loans on Collateral	172,930.00
Cash	5,420,643.42
Loans to Policyholders	11,193,245.61
Premiums, deferred and in course of collection (net)	5,190,288.45
Accrued Interest, Rents, etc.	3,290,211.85
Total	$277,107,868.46

LIABILITIES.	
Dividends payable in 1910	$6,938,793.66
Reinsurance Fund and Special Reserves	237,213,384.00
All other Liabilities	3,053,470.82
Capital and Surplus	29,902,219.98
Total	$277,107,868.46

Largest Office Building in the World—Madison Avenue, Fourth Avenue, 23d Street and 24th Street, New York City.

SIGNIFICANT FACTS

This Company's Policy-claims paid in 1909 averaged in number one for every 63 seconds of each business day of 8 hours each and in amount $140.81 a minute the year through.

THE DAILY AVERAGE OF THE COMPANY'S BUSINESS DURING 1909.

456 per day in number of Claims Paid.
6,585 per day in number of Policies placed and paid for.
$1,463,755 per day in New Insurance placed and paid for.
$183,408 75 per day in Payments to Policyholders and addition to Reserve.
$132 172.72 per day in Increase of Assets.

OFFICERS

JOHN R. HEGEMAN.....President
HALEY FISKE.....Vice President
GEORGE H. GASTON....2d Vice President
GEORGE B. WOODWARD..3d Vice President
FRANK O. AYRES.....4th Vice President
F. F. TAYLOR.....5th Vice President
JAMES M. CRAIG.....Actuary
STEWART L. WOODFORD.....Counsel
WM. J. TULLY.....General Solicitor
FREDERICK H. ECKER.....Treasurer
WALTER STABLER.....Comptroller
JAMES S. ROBERTS.....Secretary
JOHN R. HEGEMAN, JR....Asst. Secretary
J. J. THOMPSON.....Assistant Secretary
T. R. RICHARDSON.....Assistant Secretary
GEORGE B. SCOTT.....Assistant Secretary
FREDERICK A. BETTS...Assistant Secretary
GEORGE C. PENHALLOW...Asst. Secretary
THOMAS H. WILLARD, M. D..Med. Direct.
AUGUSTUS S. KNIGHT, M. D..Med. Direct.
W. S. MANNERS, M. D..Asst. Med. Direct.
E. M. HOLDEN, M. D....Asst. Med. Direct.
D. M. GEDGE, M. D.....Asst. Med. Direct.

I. J. CAHEN.....Manager Ordinary Dept.
LEE K. FRANKEL, PH. D..Mgr. Indus'l Dept.
J. BERGEN OGDEN, M. D..Asst. Med. Direct.
JACOB CHADEAYNE..Mgr. Interm'd'e Branch

Paid to Policyholders since Organization, plus the Amount now invested for their Security, $587,228,528.83.
Number of Policies in Force, 10,621,679. Amount of Outstanding Insurance, $2,041,951,700.00.

A GREAT SIX MONTHS!

We closed the first half of 1910 with a rousing increase in new business over our record for the first half of highly prosperous 1909.

In policies and dividends we have what the public wants. In literature and canvassing aids we have what the agent wants. And back of all is a reputation gained from 59 years of activity as a Massachusetts Company.

If you are a genuine producer, a *delivering* producer, and wish to join our forces, address

GEORGE D. LANG, Superintendent of Agencies

MASSACHUSETTS MUTUAL LIFE INSURANCE CO.

SPRINGFIELD, MASSACHUSETTS

INCORPORATED 1851

National Life Insurance Co.

MONTPELIER, VERMONT.

Established in 1850. Operating in 36 States.

JOSEPH A. DEBOER, President.

FRED A. HOWLAND, Vice-Prest. OSMAN D. CLARK, Secretary.
JAMES B. ESTEE, 2d Vice-Prest. H. M. CUTLER, Treasurer.
A. B. BISBEE, Med. Director. C. E. MOULTON, Actuary.

This Company held January 1, 1910, and gained during the past decade:

ASSETS,	$47,490,998.98	- Gain, 167%
LIABILITIES,	41,661,130.12	- Gain, 162%
SURPLUS,	5,829,868.86	- Gain, 211%
INSURANCE,	161,423,115.00	- Gain, 79%

ABSOLUTE SECURITY AND ECONOMY OF MANAGEMENT

J. G. WALKER, President.
T. WM. PEMBERTON, 1st Vice-Pres. W. L. T. ROGERSON, 2nd Vice-Pres.
E. D. HARRIS, Secretary.

Organized 1871.

Life Insurance Company of Virginia

HOME OFFICE, RICHMOND, VIRGINIA

The OLDEST Southern Life Insurance Company.
The LARGEST AND STRONGEST Southern Life Insurance Co.
The PIONEER Southern Industrial Life Insurance Company.

Its policies are clear and definite in their provisions, and their values are absolutely guaranteed.

Assets, December 31, 1909	$5,872,691.99
Liabilities, December 31, 1909	4,312,405.32
Insurance in force December 31, 1909	68,337,613.00
Total payments to policyholders since organization	9,820,412.49

ARE YOU TIRED

of low pay and no opportunities? Get into a business that pays workers well, and that has unlimited opportunities. Sell Life Insurance for The Prudential.

Write us about an agency.

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA.

Incorporated as a Stock Company by the State of New Jersey.

JOHN F. DRYDEN, President Home Office, Newark, N. J.

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201ST YEAR

SUN
INSURANCE OFFICE
OF LONDON

FOUNDED 1710

U. S. Branch: 54 Pine Street, New York

Western Department
171 La Salle St.
Chicago

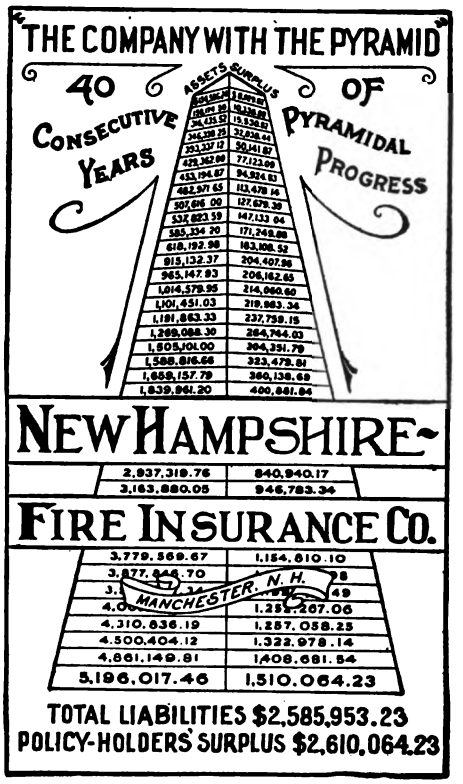
Pacific Department
Sansome & Sacramento Sts.
San Francisco, Cal.

AGENTS WANTED AT UNREPRESENTED POINTS

The Preferred Accident Insurance Company
of New York

SUPERIOR POLICIES

KIMBALL C. ATWOOD, President,
290-292 Broadway, New York.



Fidelity (Fire) Underwriters
OF NEW YORK

It is a good many years since the United States took her commanding place among the nations as a "world power."

It is only a few months since the Fidelity Underwriters raised their business banner, but already the Fidelity Underwriters are acclaimed as a "world power" in fire insurance.

A Fidelity Underwriters agent is, in turn, himself a power.

The policies are issued by The Continental (Fire) Insurance Company and The Fidelity-Phenix Fire Insurance Company of New York, each assuming half the liability.

Home Office:
46 Cedar St., New York

Western Office:
280 La Salle St., Chicago

Incorporated 1855.

THE
JEFFERSON FIRE
INSURANCE COMPANY
OF PHILADELPHIA

In Business Fifty-four Years. Surplus to Policy-Holders, Over $450,000.

AGENCY DEPARTMENT, 425 WALNUT STREET, PHILADELPHIA.

AGENTS WANTED AT ALL DESIRABLE POINTS.

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The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK. Secretary.

THE other national organization of fraternal life insurance societies, the Associated Fraternities of America, had its annual meeting this week, and it will be seen by our report of the proceedings that an agreement was substantially reached in the matter of most importance before the meeting—the proposed uniform law regulating the fraternal business. A special committee having the matter in charge was directed to unite with a similar committee of the National Fraternal Congress and meet the insurance commissioners' committee on the fraternal orders at the commissioners' national convention at Mobile next month. There are still differences between all three committees to be adjusted, but the feeling this week in the organization in which the more intractable elements in fraternalism have existed, was hopeful.

THE summer fires in the forests of the far Northwest are destroying hundreds of lives and burning millions of dollars' worth of timber, as well as some backwoods settlements and many scattered habitations. The temptation of the descriptive writers to exaggerate the extent of what they call the "seething area of flame" is strong, but there can be no question that the loss in values is very large, and the matter of systematic prevention has come to be one of national importance. Many of our readers have a special interest in the effect of these annual forest conflagrations on the insurance companies. A canvass of companies writing largely in the Northwest does not reveal alarming conditions. The fact that this devastation is likely to occur every year has made companies chary of writing in the threatened district. An instance occurred this year of a company cancelling all its risks in an exposed town. Standing timber is never insured. The losses will be comparatively light.

THE average novice has little idea of the wealth of detail knowledge possessed by the fire insurance executives. One is apt to think that the president of a fire insurance company has nothing to do except sign checks and receive callers. The fact is that scarcely fifteen minutes of a business day passes, at least in the experience of one of the four largest fire insurance company presidents, that the president is not called up to say the final word as to whether a certain risk shall be accepted or not. In such a case the executive himself inspects the map, learns the details of location, construction, occupancy and exposure, and decides how large the line shall be, if accepted at all. The modern system of fire insurance mapping shows every detail of location and construction, while the New York Fire Insurance Exchange surveys give all the information concerning occupancies and other important facts. Only in rare instances are persons desiring fire insurance able to lie successfully to the fire insurance companies. Enterprising magazine publishers might, with valuable educational results, exploit the devices required to prevent fire insurance companies from being victimized by the designing public.

CONDITIONS in the plate glass field continue to present perplexities. For instance, it is alleged that a combination exists among the manufacturers, making it useless for the insurance companies to "shop around" when they want glass. It is evident to the companies that the manufacturers feel that so long as the insurers must have glass they will have to pay whatever price is demanded for it. At any rate, one company reports that glass costs 43 per cent. more to replace these days than it did a year ago—with no proportionate increase in the insurance rate to offset it. On the other hand, the manufacturers deny that any combination exists among them which adds to the cost. Another custom charged against the manufacturers, which further increases the cost of glass, is that of shipping glass under a valuation of, say, $20—and billing the company $50—the excess going to the dividend account of the manufacturers. One prominent plate glass underwriter reports that he caught one man red handed in this wicked act and made him come to terms. Such practices as these should be looked out for by the insurance companies, and a campaign of publicity would do much toward lessening their occurrence, and this would in turn increase the rapidly dwindling profits of plate glass underwriting.

THE Insurance Commissioner of Oregon in a statement about the fire insurance business in that State, which we reprint, while making some sensible remarks on the unreasonableness of fixing rates on the experience of one locality alone, commits the surprising mistake of estimating as gain to the insurance companies the difference between their premium receipts and payments to policyholders in the State. This is an error common to country newspaper editors, and insurance commissioners before have been caught at it, but they were of the late Webb McNall variety. The present Oregon department chief, it is just to say, is not of that variety. As our San Francisco contemporary, the *Underwriters' Report,* points out, from the difference between premiums and returns to those who paid them must come local agents' commissions, taxes, licenses and special and general agency expenses, all of which are disbursed in the

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State and home office charges. The margin of profit to the insurer is not excessive after that. It certainly is not in Oregon, which the commissioner admits differs "vastly" in matters of building construction, fire protection and cost of transacting business from older States, where lower rates may safely prevail. Commissioner Kozer is quite right, though, in deprecating State made rates, when a competent rating bureau, furnished by the companies, such as Oregon possesses, can be had.

THE right spirit is shown by Insurance Commissioner Darst, of West Virgina, in the following statement to the people of his State of his official intentions:

From this time forward this department intends to take more drastic steps to check the exceedingly large fire waste and the Insurance Commissioner hereafter will revoke the license of any insurance agent where it can be clearly shown that the agent overinsured property or that he did not use the means at his command to secure the proper information relative to the value of the property. The Insurance Commissioner believes that where the law does not specifically define his duties that he has authority to do certain things for the public good, and he will take what steps he deems necessary to end this great incentive to crime and dishonesty. The Insurance Commissioner will use the power given him under the law to assist in the prosecution of any agent of any insurance company who collects the premiums and fails to pay his collections over to the company by which he is employed. There is considerable of this character of work being done and it is another item the honest insured has to pay. This department will endeavor faithfully to guard the interests of the insurance companies as well as the insured. The Insurance Commissioner believes that any insurance company, honestly and economically managed, should be permitted to charge a rate sufficient to insure a fair degree of prosperity, because insurance companies are necessities and must live and thrive. Let us help the insurance companies to make it possible to reduce their rates to an extent that it means something. This department is trying to do its part and expects the people, individually and collectively, to do their part, and results will surely follow in a short time.

He will favor the creation of a State rating board only in the event that when the fire waste is reduced the insurance rates are not correspondingly lowered. That is the key to the rate situation. When losses are less rates will be less, and the insurance supervisor, who is keen for the pocket interests of the insured, will best serve them by inducing them to provide those means for the protection of their property against easy burning, which the companies recommend and endeavor to enforce. Commissioner Darst is a valuable example for his fellow commissioners, and he is worthy of imitation when he gives the underwriters that credit which is their due in saying that they have encouraged the good work in every way possible, and have assisted the department voluntarily in the prosecution of incendiarism. The State Insurance Department, which works in harmony with the insurance companies to make the cost of insurance less, will get low rates for its public.

Facts and Opinions.

The Illinois Insurance Department has issued its first **classification of fire insurance risks** under the law passed in 1889. This requires a classification of risks written in the State into not less than four classes, according to hazard. The Insurance Department, being informed that the act was mandatory, called for reports on four classes, covering dwellings and their contents, mercantile risks, special hazards, and all other risks. In submitting the figures the department says that it does not believe that the information will be of any practical value, because no classification which includes only a single State furnishes a proper basis for an experience table in any way reliable, the results of operations over the entire field being necessary to produce practical results. The Chicago *Record-Herald* gives the following summary of some of the results:

The classification shows that of the $20,776,721 of premiums received in 1909 on the four classes $5,672,373 was on dwellings and their contents, $6,847,301 on mercantile buildings and stocks, $6,052,241 on special hazards and $2,204,804 on all other risks. On dwellings and their contents the loss ratio was 45.82 per cent., on mercantile risks 51.70, on special hazards 40.56 and on all other risks 39.30, with a general average of 45.50. It is evident that farm risks make up a large proportion of the dwelling class, the leaders in premium income in that class being all companies writing farm insurance. The Phenix leads with $390,053 and a loss ratio of 56.5 per cent. The American of Newark follows with $343,853 and a loss ratio of 66.3 per cent. The other leaders are as follows: Home of New York, $320,514 and 41.45 per cent.; Hartford, $268,502 and 42 per cent.; Continental, $253,282 and 43 per cent., and Ætna, $214,941 and 43 per cent. The highest loss ratio shown on the dwelling house classification was for the Queen City, with 1939 per cent. followed by the Mercantile with 720, the Virginia State with 311, the Western Reserve with 266, and the National of Ohio with 257 per cent. In the classification of mercantile risks the Hartford leads with $282,660 and a loss ratio of 62.8 per cent., followed by the Home of New York with $230,192 and a loss ratio of 49.18 per cent. The other leaders are as follows: Liverpool and London and Globe, $184,595 and 70.82 per cent.; Ætna, $172,621 and 55 per cent.; National, of Hartford, $151,694 and 55.8 per cent., and Continental, $131,193 and 51 per cent. On special hazards the Royal leads with $413,851 and a loss ratio of 31.3 per cent., followed by the National of Hartford with $249,063 and a loss ratio of 40 per cent. The other leaders are as follows: London and Liverpool and Globe, $232,477 and 42.9 per cent.; Hartford, $229,719 and 30.6 per cent.; Ætna, $153,614 and 26 per cent.; Spring Garden, $133,691 and 40.8 per cent., and Home of New York, $121,992 and 30.6 per cent.

An important incident in the Western fire insurance business is the **retirement** from the position of Western department manager of the North British and Mercantile **of Wiley J. Littlejohn** in the near future. The announcement comes in a circular letter of Mr. Littlejohn to the agents of the department, in the course of which he says:

It is with a great deal of regret that I am advising you of my prospective retirement in the near future from the fire insurance business, in which I have been engaged for nearly forty years. My connection with the North British and Mercantile as manager of its Western department has extended over a period of more than sixteen years, while my relations with its officials have been in the highest degree satisfactory, hence the generous and substantial recognition of my past services by the directors of the company following my resignation, makes retirement a matter of great reluctance. Particularly so as I am to leave the service of a company which has had an uninterrupted honorable business career of over one hundred years and which is second to none in point of strength and standing, and also because of the severance of my most cordial and pleasant relations with United States Manager Richards, whose assistance and counsel have been of the greatest value. Yet I feel that I have earned a rest and the right to spend my later years a little more leisurely.

United States Manager Richards expresses the general regret of everyone connected with the company that the change has come, but says that the Chicago office will continue in charge of Mr. Littlejohn for at least the remainder of the fiscal year, and that provision has been made for his future that has met with his entire approval. The retirement of Mr. Littlejohn will be followed by the transfer of the Western department from Chicago to the United States branch office in New York. This will take place about November 1, and more definite advices will shortly be furnished. Mr. Littlejohn was born at Memphis, Tenn., in 1849; was a graduate of St. Louis University, became a fire insurance general agent in 1874, and was appointed to his present position in 1894. He was president of the Fire Underwriters' Association of the Northwest in 1894-5.

An interesting article on the fire hazard of **wooden pulleys in elevator heads** appears in the recent issue of the Michigan Millers' Mutual Fire *Bulletin*, which says in part:

Will a wood pulley in an elevator head set the belt afire when the elevator becomes choked? It will. We have seen it, not once, but many times, and it never fails to produce fire, unless the belt breaks before the point of ignition is reached. Any experienced insurance man knows from sad experience that fires are sometimes started in this way. Yet some millers

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and grain dealers still claim that a choke-up in an elevator equipped with a wood pulley at the head will not produce fire, and in proof of their position, point to wood pulleys which have been used safely in elevator heads for years. In order to remove the question forever from debatable ground, and to substitute definite knowledge for indefinite guesses and endless arguments, we recently conducted a series of experiments in which the actual conditions of a mill or elevator choke-up were faithfully reproduced. The experiments were conducted under the direction of F. J. Postel & Co., consulting engineers, Chicago, Ill.; William Reed, of Oxford, Mich., well known in the milling fraternity of Michigan and other States, as an experienced and competent miller, and L. H. Baker, assistant secretary of this company. The experiments proved conclusively that, when a choke-up occurs, the friction of a wood pulley on a canvas or rubber belt will produce actual fire (not merely excessive heat and smoke) in from 6½ to 20 minutes, depending principally on the kind of belt used, the size of the pulley, and the height of the elevator. The only cases in which fire did not result were, as we stated above, when the belt broke before the burning point was reached. Similar tests in which iron pulleys were used demonstrated with equal clearness that they will not produce fire in cases of choke-up.

The Michigan Millers' Mutual has therefore notified its patrons that wood pulleys in elevator heads must be removed from the risks it carries.

The *Bulletin*, issued by the American Health League, which is advocating the enactment of the bill in Congress to establish a **Federal department of health**, has the following references to the attitude of the life insurance companies toward the project:

During the last fifteen years life insurance companies have not only been able to return money to their policyholders, but have been able to add to the amount of insurance given for the same premium. This is because people at younger ages are not now dying off so fast as they did fifteen years ago, on account of improved tenement house conditions, improved milk and water supplies, and improved knowledge in the control of epidemics. These improvements have been brought about by a diversity of public health activities—much of them being wasted because of lack of organization, and all health activities handicapped by lack of scientific research and experiments and lack of proper statistical information. Finding that such practical results can be obtained even under existing conditions—results so vital to the people's wellfare—the insurance companies are advocating that the Government take up the organization and co-ordination of public health service. It has been possible for the Department of Agriculture, through efficient organization, to do much for animals and plants, improving their health and giving them longer life; the insurance companies are eager to have the human health activities of the country similarly organized. Practically all of the companies represented in the Association of Life Insurance Presidents are giving their moral support to the movement for the prolongation of human life. In addition, many of them are doing practical educative work. Measured by number of policies in force, the Association companies cover 78 per cent. of the field of American companies, having 21,700,000 policies out of a toal of about 28,000,000. The Association companies engaging in individual work along health betterment lines have 73 per cent. of the total number of policies in force, or 20,500,000.

On **overinsurance** in fire underwriting Commissioner Darst of West Virginia says in his report:

There is no doubt in my mind that overinsurance is the direct cause of almost all incendiary fires. That if we cease to overinsure property we practically put out of business the culprits who burn their property to secure the insurance, for the property in all liklihood, with a fair and reasonable valuation, would bring more in the open market. It is well known to be the practice of many insurance agents to govern the amount of insurance placed on a building or a stock of goods by the ability of the insured to pay, many times overinsuring the property to the extent that it is considered an invitation by dishonest people to burn the property to secure the insurance carried, and a fire once started very often destroys a town before it is extinguished. Not only does the dishonest man do the insurance company and the honest insured an injustice, but he endangers the property of his neighbor. This pernicious practice of overinsurance by reckless insurance agents is directly responsible for more fires than any other cause. Why place this temptation before men to encourage them to violate the law for gain? The two men who were convicted in the State last month and sent to the penetentiary for a term of ten years each would have been saved had not the temptation of the overinsurance been placed before them. Remove the cause and it is hardly probable that the crime will follow. The losses from incendiary fires must in the end be paid by the honest insuring public. There is no excuse for overinsuring real estate. Our assessors annually place a value on real estate, which is supposed to be its true value. Agents will not overinsure if they take the assessed value. These books are easily accessible and can be found at the county seat in each county, while copies can be found at many of the banks within the State.

In an address at the annual convention of the International Association of Fire Engineers at Syracuse, N. Y., this week, on **"The Objects of Tests and Investigations at Underwriters' Laboratories,"** Mr. William H. Merrill, secretary of the institution, said in summing up:

The object of examinations and tests at Underwriters' Laboratories is, therefore, to bring to the user the one best obtainable opinion on the merits or demerits of an appliance in respect to the fire hazard. That we have accomplished this object, in a large measure, is obvious to each one of you who have had occasion, during recent years, to look into the equipments of automatic sprinklers, fire doors and shutters, wired glass windows and their frames, fire door and window hardware, hand extinguishers, electrical, gasoline, and acetylene machines, and similar fittings and materials going into buildings, and private fire department apparatus for interior and exterior use. Now that we are beginning to take up public department apparatus, you will perhaps hear more of us. In every city of the world the interest of the chiefs in the character, the efficiency and the equipment of their fire departments is, I take it, in common with the interest of the insurance companies in these very things. The fact that you have devoted space on your program for discussion by two of your members of the benefits to the fire service from the inspections by engineers of the National Board of Fire Underwriters, indicates that the natural auxiliary of such inspection service, competent and thorough tests at the National Board Laboratories, may also meet with your approval.

Companies are complaining of the disposition of some agents to play one company against another. In one case where three companies had agreed to cancel a certain risk, the agent wrote to each claiming that it was the only one that had cancelled, and that the others were perfectly willing to carry the risk in spite of the objections. An investigation showed that each company had cancelled, and that each had received the same letter from the agent, who counted on playing one against the other, and thus gaining his point. The insured is also learning this game, and is playing one agent against another, and the stock companies against the mutuals, in order to secure lower rates and other concessions. A flagrant case has recently been discovered in which one of the largest industrial corporations of the country was found to have lied outrageously in order to secure lower rates, the investigation developing the fact that the corporation persistently failed to pay its premiums until the bills were six or seven months overdue, compelling the local agent to carry the load after the company had finally compelled him to settle.

The committee which is arranging for the entertainment of the **National Association of Local Fire Insurance Agents,** which will meet in Chicago in September, has been having its own troubles. It was thought improper to ask the Chicago Board of Underwriters to contribute to the fund since so large a portion of its members are general agents, and many of them are antagonistic to the association as at present conducted. The committee interviewed a number of managers and asked them to contribute $100 or so apiece to an entertainment fund, but secured very little encouragement. The situation has been complicated by objections to the organization of the committee, certain chronic grouches having complained that it was a self organized committee and was encouraging factions in the Chicago board by confining its solicitations to commission agents, ignoring salaried managers and general agents, the latter course having finally been decided upon.

According to the *Scientific American*, the ladder used to connect the lowest platform of a **fire escape** with the street is frequently stolen, and if it has not been stolen it is "usually drawn up and so securely fastened as to be **unavailable in an emergency**, and, at any rate, it is too heavy to be operated by

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a woman or child." For this reason, a device has recently been introduced whereby the ladders, while normally raised, may readily be lowered into a position for use by pulling a chain, and when desired may be hoisted up again to the normal position. The hoist consists of a chain pulley connected by a ratchet to a drum against which a friction brake bears. When lowering the ladder the friction of the brake counterbalances the weight of the ladder, but when hauling the ladder up the pulley is disengaged from the brake drum and the operator has merely the weight of the ladder to raise.

An important paper was read to the International Association of Fire Engineers at Syracuse Thursday by Fire Chief Croker of New York city, who declared that **inadequate water facilities** have been **responsible for the most disastrous fires** that have visited this country. The failure of mains ordinarily good permits the spread of large conflagrations. He urged on fire chiefs that they should not hesitate to ask for improvements for fire fighting, and insisted that cities should not refuse to make appropriations for these purposes. As to telephone alarms, the chief characterized them as often indefinite, and responsible for delay in responding or for making wrong responses. His preference is for box alarms, although the telephone is valuable as an auxiliary alarm. He described the high pressure system in New York city and its benefits at some length.

Now that the **fire hazards of outward bound cotton shipments** have been added to those always present along the New York city water front, interest is had in a statement by T. J. Anderson, inspector for the Atlantic Mutual, who is recognized through the South as an authority on the cotton hazard, and who declares that the common match is responsible for 99 per cent. of all cotton fires on docks and vessels. He says that matches are dropped on piers and decks by careless workmen, and that afterward fires are started by the friction of moving the bales. Such a fire is liable to smolder for several days before it is discovered, by which time it has had opportunity to spread so that its extinguishing is a difficult task. He is working to secure regulations forbidding workmen to carry matches while employed in the handling of cotton.

The **Franklin Life** insurance company of Springfield, Ill., has been notified by the Michigan Insurance Department that when it merged with the La Salle Life insurance company, and changed from a mutual to a stock basis, it **lost its corporate identity** and became an entirely new corporation, with a charter differing materially from the one under which the old company had been authorized to transact business in Michigan. For this reason the Michigan commissioner holds, and in this ruling he is sustained by the Attorney General of the State, that the authority of the Franklin Life insurance company to transact business in Michigan terminated when the merger was effected, and that it now is out of the State, with no authority to transact business therein.

Says the Mobile *Register* of August 21: "Following the announcement last week that the Equitable Life Assurance Society had an appraiser here for the purpose of investigating in property loans, it was learned yesterday that the Mutual Life insurance company **has made loans** aggregating $20,000 on residence property, and that the New York Life insurance company had invested $50,000 in mortgages on business property in Mobile. These loans were made through George Fearn & Son. They exhibit that the large insurance companies of New York firmly believe in the future of Mobile, and that the eyes of the business world are turned in this direction."

The two volumes of the **Insurance Year Book** for the current year have just been published by the Spectator Company. This work, which has become indispensable in the insurance business for ready reference in all matters of insurance statistics and information, has been a growth in the past thirty-eight years from a small volume of about 100 pages to a two volume book of about 2,500 pages. One volume is devoted to life, casualty, surety and miscellaneous insurance; the other to fire and marine insurance. The two volumes can be had from the publishers for $10, or either volume separately for $6.

The **fire losses in** the month of **August** are likely to reach a high total, according to statements from leading fire insurance company executives. No special reason is given, nor are the large fires confined to any one section. Numerous large conflagrations have happened in various localities. The forest fires of the Northwest have added less to the total than newspaper account of the fires would indicate. A leading company, which does a large amount of business in that section, lost only $9,000. Many companies had cancelled out of the Northwest forest region almost entirely before the fire.

The advance reports of the **Colorado** Insurance Department gives notice of greatly **increased business** in that State during 1909. The total premium receipts of the 130 fire insurance companies doing business in the State were $3,227,903.22, the average rate being 1.43. The losses were $988,526.82, being a ratio of losses to premiums of 31 per cent. Fire insurance taxes were $64,557.93. The thirty life insurance companies show $131,982,948 of business in force, on which the premiums received in 1909 were $4,511,412.62. Losses paid were $1,455,736, and the taxes paid were $90,228.26.

Numerous smaller town and county **co-operative fire insurance companies** of New York have found themselves unable to comply with the provision of the new law requiring that copies of their articles of association or certificate of incorporation be filed with the Insurance Department as part of their application for a license. An opinion by Attorney General O'Malley states that in cases where the required documents have been lost or destroyed by fire nothing can be done until remedial legislation has been secured. Possible loss was not provided for in the present statute.

The Supreme Court of New Mexico has upheld the lower court in giving Mrs. Amelia Perea, widow of Pedro Perea, former Territorial delegate in Congress, a **judgment** for $1,050 **against the State Life of Indianapolis.** Perea took out the policy a few months before his death, and the company claimed that he failed to disclose all the facts regarding his physical condition in the application, and had not paid a note given the agent for a large portion of the premium. It is understood that the case will be carried to the Federal Supreme Court.

On October 17 the stockholders of the National insurance company (fire) of Pittsburgh and the Ben Franklin Fire of Pittsburgh will vote on a **proposition to merge.** It is expected the amalgamation will be authorized. The National has $500,000 capital, net surplus of $462,737, reinsurance reserve of $799,839, and total assets of $1,859,253. These, combined with the $200,000 capital of the Ben Franklin and its $194,494 net surplus, $417,265 reinsurance reserve, and total assets of $860,186, will make a company of great strength.

A strange coincidence in connection with the death of Charles K. Oliver, of Baltimore, who was one of the three

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most heavily insured men in that city, was that a great part of his annual insurance premiums fell due on August 23, and prior to sailing from Europe Mr. Oliver mailed a check to cover the amounts. The check reached Baltimore shortly before the announcement that he had died at sea while on his way home. The check was dated August 23, and was therefore void and was returned to his executors.

Too much chloroform for a toothache nearly caused the death of Henry D. Lindsay, of Dallas, Tex., president of the Southwestern Life insurance company, at the Hotel Knickerbocker, New York, Thursday. Failing to answer a call he had left at the office, his room was entered by the porter and he was found unconscious on the bed. After the hospital physicians had brought him out of the coma he said he had applied the drug to ease the pain of a severe toothache. He quickly recovered from its effects.

The officers of the new **National-Ben Franklin combination** of Pittsburgh, if ratified by the stockholders, will be: President, Samuel McKnight; vice president, Charles M. Stifel; chairman of directors, John M. Thompson; secretary, H. M. Schmitt. Three assistant secretaries will be appointed later. The offices of the company will be in the new building of the Ben Franklin, at 120-122 West Ohio street, North Side, Pittsburgh. It will be enlarged and occupied entirely by the company.

At the negro national convention held in New York last week Scott Bond, of Arkansas, discussed the prevalence of **tuberculosis among negroes,** which he attributed to their putting on style and imitating fashionable white folks. Scott said:

> You never heard of a negro having tuberculosis before emancipation, that was because they wore a jean shirt and a pair of overalls, and the women a calico dress. Now, why you see women out in the country wearing carpet slippers. Down with such foolishness, I say.

The **Security Mutual Life of Binghamton** has advanced the fee for medical examinations to $5, which will be a flat rate to take the place of the former graded schedule. Agents will be required to reimburse the company for examinations on policies "not taken" after September 1, if the policies are issued as applied for, excepting, of course, extra policies issued on one examination. It is believed the new rate will result in more prompt and efficient service.

The vacancy in the **District of Columbia Insurance Superintendentship,** caused by the death of Thomas E. Drake, will not be filled until the middle of next month, when the full board of District Commissioners will be in Washington. The candidates for the place are Daniel Curry, the deputy superintendent and present acting superintendent; George W. Ingham, William J. Dow, Gilbert A. Clark, D. S. Fletcher and T. J. Guttine.

Concerning the **losses by the Brussels Exposition fire,** the *Policyholder*, of Manchester, says:

> Lloyds will probably be affected more than the regular offices by the fire at the Brussels Exhibition. The risk has not appealed to the British offices, and the leading companies will probably be called upon to pay one or two thousand pounds, while the smaller concerns will not have to face an outgo of more than a fifth of that sum. The Continental fire offices are said to be much more heavily hit—the Belgium companies suffering most.

The report of the **South Dakota** State Fire Marshal, now being printed, will show that **incendiary fires** reported were seven as against eighteen for the year previous. In each of the seven cases criminal proceedings were instituted, resulting in seven convictions. The most frequent fire cause was from children playing with matches, with gas and gasoline next, prairie fires third, and kerosene fourth.

After September 9 only those persons holding the **new fire badges** will be admitted inside fire lines in New York city. The new issue will be limited to 1,000, as against about 4,000 of the old badges. After the newspapers, officials and traction and wire company representatives have been supplied the badges will cost $50 each, and will be hard to get at that. The money will go to the firemen's pension fund.

A number of **policyholders** of the old German Mutual Benefit Association are **protesting** against the recent reinsurance of the business by the German National Life of Chicago, claiming that they were not notified and that their interests were not safeguarded. Advertisements are being published in the Chicago papers asking co-operation of policyholders in making a legal contest.

The National Board of Fire Underwriters has published its semi-annual edition of the list of **manufacturers of fire appliances** recommended by the National Fire Protection Association and the Underwriters' Laboratories. The "fire appliance" list covers those devices, materials, systems and appliances which may be of service in extinguishing, retarding or reporting a fire.

Inability to dispose of the company's real estate advantageously has kept the creditors of the **Guardian Fire** of Pittsburgh from receiving any **dividends,** although the receivership was established eighteen months ago. It is said the receiver will file counter suits to the claim of Dickson & Tweeddale, former general agents of the company, who filed a claim for $142,646.

The **Indianapolis** city officials have abandoned one of the **city fire stations** on account of its unsafe condition, and the removal of the apparatus has started an agitation that may lead to an advance in fire insurance rates unless something is done to make good the promise of the city last year to improve the fire protection, instead of permitting a deterioration.

The annual meeting of the **Fire Underwriters' Association of the Northwest** will be held in Chicago the first week in October. Among the speakers will be Franklin H. Wentworth, secretary of the National Fire Prevention Association, and C. J. Doyle, Illinois State Fire Marshal. The convention will be one of the important insurance events of the year.

A special from Chicago states that **Prof. A. W. Whitney,** of the University of California, who has been engaged as actuary for the Investigating Committee of the New York Legislature, has been **busy in Chicago** the past few days on matters connected with the question, especially the evidence recently submitted to the Illinois Insurance Commission.

The **taxes** collected from insurance companies **in the State of Indiana** the first six months of 1910 show an increase over the corresponding period of 1909 of $4,787.67. The total amount, $188,913.87, is larger than for any first half year in the history of the Indiana Insurance Department. The Prudential paid the largest individual amount, $26,552.77.

One of the important facts overlooked by the compilers of literature designed to hurry along the **sale of stock** of new fire insurance promotions is this: Since 1866, when the North British and Mercantile entered the United States, 1,833 fire

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insurance companies have failed or retired. Yet the success of the North British is often quoted by promoters.

The second **trial of John C. Piver,** publisher of the *Underwriters' Report,* **for libelling** President Lloyd of the Pacific Surety Company, was postponed to September 8, at the request of the prosecution, which claimed that important witnesses were absent. The publisher says that there is little prospect of the case being tried again.

The Fire Insurance Commission appointed for **British Columbia** has reported in favor of an **Insurance Department,** with general supervision over the insurance business. It is recommended that the companies be taxed to pay for it. The abolition of municipal license fees when the department comes into existence is recommended.

The **Metropolitan Life agents** in the New Orleans district had a jolly **outing** on the Tchefuncta River recently. About 300 of them participated, including their families, and besides the feast there were various sports. The agents presented Superintendent McHardy and Mrs. McHardy with a beautiful large bouquet.

According to the fifth report of Receiver Wyman, the $125,000 **assets of the American Legion of Honor** will be divided among 3,500 members remaining in good standing. The total claims of the certificate holders amount to nearly $2,000,000. Proof of claims must be in by May 31, 1911.

A recent decision by the Supreme Court of Washington is that a fair preponderance of evidence is sufficient to establish **the claim of incendiarism** in a civil action to recover a disputed fire insurance benefit. This decision will have an important bearing on future litigation of this character.

The **Oakland, Cal.,** board of public works has adopted a resolution recommending to the city council that a sum be appropriated by the city for the extension of the recently installed salt water fire fighting auxiliary system along Fourteenth street, from Washington to Market streets.

The **clerks** in the Dutton fire insurance agency at Rochester were tendered an **outing** at Newport, Irondequoit Bay, August 20. Mr. Dutton was an ideal host, and the day's events were thoroughly enjoyed. Dinner was served at the Newport House, and there was an afternoon sail on the bay.

It is announced that the affairs of the **Greenwich insurance company** have been arranged to the satisfaction of the New York Insurance Department, and that the company will resume writing fire insurance on September 1. Joseph S. Frelinghuysen has been appointed general agent.

The State of Texas has filed proceedings in an attempt to cancel the permit of the **Standard Home of Delaware,** and asking for a permanent injunction against the company doing business in that State. The trouble is over the alleged failure of the company to deposit certain securities.

Manhattan and Bronx **fire insurance premiums received** in the first half of 1910 aggregated $11,603,431. The Brooklyn Borough premiums for the same period reported by the Fire Insurance Salvage Corps were $2,665,714, making a total of $14,269,146 for the three boroughs.

The growth of the **Phœnix Mutual Life** necessitates the enlargement of its building in Hartford. Since the company went into the building thirteen years ago its business has increased threefold, and it needs corresponding space to breathe and keep growing in.

The **National Life** of the U. S. A. in its **midyear statement** shows assets of $9,850,016, an increase from January of $183,820, and a surplus of $771,237, an increase of $55,997. The insurance in force has gained $556,128 during the six months.

The rate book published by the G. L. Meyers & Co. agency at Little Rock, Ark., has been held to be a **violation of the anti-trust law** of the State, and the six companies in the agency are not allowed to use it, even in an advisory way.

At Denver recently **hollow cement blocks** used in the construction of a grocery store were destroyed in an explosion of gasoline, while the plate glass windows were uninjured. The four walls of the building were rendered entirely useless.

The **unusual mortality in the South** is causing life insurance companies to consider additional premuims for those States, or the limitation of business therein. Mississippi and South Carolina appear to be making the worst death rate.

The nineteenth annual meeting of the Agents' Association of the **Massachusetts Mutual Life** was held at Springfield, Mass., September 19-20. The program included business sessions and a clambake, with field day sports.

The **Central Manufacturers Mutual** of Van Wert, which has heretofore issued its own mutual form, is now issuing the New York standard policies, the last session of the Ohio Legislature having authorized such a change.

The **basis rates** of Pueblo, Col., have been **reduced** by the Rocky Mountain Association from the 3½ to the 2½ class for improvements in fire department, giving a reduction in premiums of about $50,000 a year.

The Chicago local agency of **H. P. Magill & Co.** has been removed from the Woman's Temple to the eleventh floor of the National Life Building, in order to be in close touch with the local agents and brokers.

The Southern States Mutual Life of Charleston, W. Va., following the example of the Provident Savings Life of New York, has established a **health association** for its policyholders.

The executive committee of the **National Fire Protection Association** has created two new committees, one on fire prevention ordinances and one on common causes of fires.

A department of insurance and statistics is to be opened by the **Northwestern University** at Evanston, Ill., of which Dr. J. C. Brooks, of New York, will be in charge.

The engineers of the National Board report that at **Minneapolis** there is an adequate **water supply,** but that mains are lacking for its proper distribution.

There has been a large increase this year over last in the number of **insurance agents' licenses** granted by the Ohio Insurance Department.

The sixth annual meeting of the **Louisiana Fire Prevention Bureau** will be held at New Orleans Wednesday, September 14.

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Sprinklered business, the Texas State Rating Board rules, is **exempt** from its recent fire insurance rate reductions.

A **life insurance** company **for dogs** has been started at Frankfort, Germany.

Personal.

AGENCY APPOINTMENTS.

Calumet Fire of Chicago: A. D. Lundy & Son, of Williamsport, Pa., State agents for Pennsylvania, Maryland and New York, excepting New York city and its suburbs. Fred S. James & Co., New York city and suburbs. J. Parsons Smith, of Philadelphia, Massachusetts, Connecticut and Rhode Island.

Firemen's of Newark: C. H. Gorham, special agent for Kentucky and Tennessee, transferred from Colorado and adjacent States.

Delaware Insurance Company: Ralph S. Howe, New England special agent.

Fidelity-Phenix: Clarence L. Stockdell, special agent, transferred to the Virginia and North Carolina field.

London and Lancashire, and Orient: Robert P. Lentz, general agent.

Northwestern National Life: C. W. Tooker, general agent in Oregon, with headquarters in Portland. P. G. Widden, agency director, at Springfield, Ill.

Rhode Island Fire of Providence: A. G. Coffin, Greensboro, N. C.

Standard Fire of Hartford: E. W. Tinsley, State agent for Wisconsin, Illinois and Missouri.

Dr. W. H. Tolman, director of the American Museum of Safety, and chairman of the American Executive Committee of the International Committee on Social Insurance, has been named as delegate on the part of the United States to the International Congress on Workmen's Insurance to be held at The Hague, September 6 to 9. The congress will consider the extension of social insurance to include small trades people, shopkeepers and farmers, and also insurance for widows and orphans, and insurance against employment.

Mr. S. Milch has been appointed manager of agents for the metropolitan district of New York by the Pittsburgh Life and Trust. He recently resigned from the Penn Mutual, and had formerly been with the Mutual Life of New York. Offices will be maintained in the Washington Life Building, Broadway and Liberty street, and the St. James Building, Broadway and Twenty-sixth street.

Mr. Albert H. Mowbray, who was actuary of the California Insurance Department during the incumbency of Insurance Commissioner E. Myron Wolf, will be instructor in insurance at the California University during the absence of Prof. A. W. Whitney, who is to be in New York city for a year.

United States Senator Burton, of Ohio, who was to have delivered an address before the National Association of Life Underwriters at Detroit, in September, has gone to Europe, and Elbert Hubbard, editor of *The Philistine*, who has been writing life insurance advertisements of late, will take his place.

Mr. Edmund F. Denihan, manager of the West Side branch of the Mutual Life of New York, died Sunday, after a week's illness from pneumonia, at the age of forty-six. Mr. Denihan has had long experience in the insurance business, was a good manager of men, and a large personal producer.

Hon. Guy B. Tucker, Commissioner of Mines, Manufactures and Agriculture of Arkansas, has been appointed general agent in that State for the National Live Stock of Indianapolis, and it is understood will in the near future become general agent of the Ætna Indemnity.

Mr. Henry A. Harben, chairman of the Prudential, of London, died August 18, aged fifty-one years. He was the son of Sir Henry Harben, president of the company, and has been an important factor in its growth to greatness.

Mr. Roland Eliot, who has been assistant manager of the British Law Fire, has been appointed to be assistant fire manager of the London and Lancashire Life and General Assurance Corporation, now just entering the fire insurance field.

Mr. Calvin R. Hyde, assistant secretary of the National Fire of Allegheny City, Pa., dropped dead at Butler, Pa., on August 18. He was about forty years old and had been twenty years in the fire insurance business.

Mr. Henry G. Penniman, former president of the United States Surety Company, is seeking to organize the Chesapeake Guaranty Company of Baltimore, to write surety and general casualty lines.

Secretary Charles Dyer Norton, assistant to President Taft, denies the truth of the report that he is contemplated for the presidency of a large life insurance company. He much prefers his present job.

Assistant Manager George J. Dykehouse, of the Western department of the Sovereign Fire, has resigned, to take effect as soon as his successor is named. His future plans have not been announced.

Mr. Frank A. McElroy, of Omaha, has resigned as special agent of the Shawnee, in Iowa and Nebraska, to go with the Omaha branch of the Western Adjustment Company.

Mr. Edwin K. McConkey, secretary of the Farmers' Fire, of York, Pa., died at that place on Wednesday, aged forty-six years, from heart disease, after a long illness.

Mr. Nathaniel W. Foster, of Westport, Conn., said to be the oldest agent of the Equitable Life in active service, died August 17, aged seventy-seven years.

Dr. Lee K. Frankel, assistant secretary and manager of the industrial department of the Metropolitan Life, sailed for Europe this week.

Capt. S. S. Frowe, assistant secretary of the Western department of the Commercial Union, is seriously ill at a hospital in Chicago.

Mr. George A. Morin has resigned as special agent for the Caledonian, in Illinois, Indiana and Ohio.

Mr. L. P. Evans has been appointed to succeed Stamp Clerk Naulty at Poughkeepsie.

Casualty and Surety Insurance.

Some of the **unusual accidents** of the week were: A New York publisher, watching a baseball game, was struck in the face by a swiftly batted ball and knocked insensible.

A young woman at Lincoln, R. I., rolled out of bed while asleep and fell through an open window to the sidewalk, three stories below. She died later.

At Asbury Park a New York young woman became dizzy while watching the ocean and fell from a pier. She was rescued.

A Hartford Russian procured carbolic acid for a sore finger, but supposed it should be taken internally. He died in great agony.

Burglars operating at country homes of New York people in Connecticut nearly asphyxiated a whole family by turning on all the gas jets in the bedrooms to make the occupants insensible, after which they proceeded to ransack the house at leisure.

A White Plains man was choked to death by his tight collor, the coroner's jury decided.

A New York colored man's ear was sliced off by his wife because he talked too much.

An alligator in a Wisconsin river chased a boat containing two women, and nearly upset them.

Two Knights Templar tourists through Yellowstone Park were injured, one fatally, by the overturning of a coach when a tree fell on it from a cliff above.

A farmer at Butler, Pa., was fatally crushed against a stone wall when a team attached to a hay wagon ran away.

A Texas contractor was killed by a bullet from his own pistol, which fell to the floor while he was using it as a club to subdue an employee.

A New York drug clerk put up lysol in a prescription instead of laxol, as written by the physician, and the babe died. The clerk has flown.

A hobble skirted young woman fell down a stairway at the Pennsylvania station at Philadelphia, and was saved from serious injury by an ascending passenger, into whose arms she fell.

The International Congress on Diseases of Occupation will meet at Brussels, Belgium, on September 10-14. A large number of contributions of papers on the various subjects to come before the congress has been promised from several countries. French, English, German and Italian will be the official languages of the congress, and each contribution will be printed in the language in which it is written. Many medical officers of insurance companies have signified their intention of being present. A list of the papers which will be read by British contributors gives an interesting view of the diversified nature of the subjects to be considered by the congress. They are: "The English Workmen's Compensation Act: With Special Reference to Hernia, Lumbago, Heat Stroke and Caisson Disease," by Dr. R. J. Collie; "Smallpox as an Industrial Accident," by Dr. H. E. Corbin; "The Function of the Certifying Factory Surgeon," by Dr. W. F. Dearden; "Certificates of Fitness in the Cotton Trade," by Dr. A. Glen Park; "Statistical Studies of Phthisis as an Occupational Disease," by Dr. T. D. Lister, consulting medical officer to the Royal Exchange Assurance Corporation; "Descriptions of Systems of Medical Service Adopted by Leading British Railway Companies," by Dr. J. G. McBride and others; "Experience of Ankylostomiasis in Cornwall," by Dr. A. E. Boycott; "Incidents in the Life History of Ankylostoma Duodenale," by Prof. Sir Thomas Oliver; "Glass Workers' Cataract," by Dr. W. Robinson; "Caisson Disease," by Lieut. G. C. C. Damant,

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R. N.; "Gaseous Poisons: With Special Reference to Hydrogen Arsenide and Hydrogen Phosphide," by Prof. John Glaister; "A Contribution to the Study of Aniline Poisoning," by Dr. R. Prosser White and Dr. A. Sellers; "Some Unusual Features of Lead Poisoning," by Prof. Sir Thomas Oliver; "Ten Years' Experience of Notification of Lead Poisoning," by Dr. T. M. Legge; "Early Indications of Lead Poisoning," by Dr. S. King Alcock.

The work of arriving at the rates to be charged for **employers' liability and workmen's compensation policies,** it now appears, was slight compared with that of instructing the company agents and educating those who are and desired to be insured under the new laws. Complaints of the ambiguity of **the new manual** are already heard, most of which are undoubtedly due to a non-understanding of the law and its provisions. That there should be errors in the rates is inevitable, but liability underwriters believe the manual is as near complete as any first edition could be under the conditions. The lact of knowledge among brokers concerning the Wainwright-Phillips law is much the more astounding in view of the agitation of the past months, say underwriters. To acquaint them with its provisions, the underwriters will conduct a sort of school for all who wish instruction in liability matters until this class of underwriting is moving along smoothly again.

Under the caption of **"The Burglar and the Sprinkler"** the *Sprinkler Bulletin* tells this British tale:

The "Grinnell" sprinkler was designed to extinguish fires in buildings in which it is installed. It has frequently preserved protected buildings against fire attacking from without, but it has not often been called upon to frustrate the evil designs of burglars. Two members of the "Bill Sykes" profession entered the premises at one time occupied by the British Tea Table Company, Ltd., in Farringdon road, E.C. As nothing better offered, they set to work to cut out the lead piping. Ordinary burglars are supposed to do their work in the dark, but our heroes evidently did their work with the aid of a light, which, being held too near a sprinkler head, had a very dampening result on their endeavors. The sprinkler opened and the alarm gong rang out. Unaccustomed to undulated water in any form, and evidently scared to death, Bill Sykes and his companion decamped, leaving their professional implements, the cut lead piping, the fused sprinkler, the alarm bell ringing, and the sprinkler pouring forth copious supplies of water, to tell their own tale.

The Massachusetts Accident had occasion recently to procure statistics of **accidents to the feet,** which constituted 17 per cent. of all causes for claims. Of these, 50 per cent. were lacerations or bruises from objects falling on or hitting the feet; 32 per cent. were sprains and dislocations; 10 per cent. were punctured wounds due to stepping on nails, pins or needles; 5 per cent. were for fractures, and 3 per cent, were burns caused by hot water or hot metal splashing over the feet.

Sprinkler leakage business is attracting the attention of companies anxious for business, and rates are being demoralized by a company which is offering contracts for lower figures than have prevailed. The American Lloyds have heretofore written most of the risks, but there are now five others in the field, the Hartford Fire, Springfield Fire and Marine, Rhode Island Fire, Maryland Casualty and United States Casualty.

Employers seem to be waking up to their liability under the new laws about to go in effect, and liability companies are experiencing **a rush of orders** for additional coverage under their outstanding policies. The new indorsements are being rushed through as rapidly as possible. A considerable increase in premium receipts will result.

A meeting of **excise bond underwriters** is scheduled for the early part of next week to consider an increase of rates to cover the larger increase of claims, due to the new and more stringent regulations for the conduct of saloons. Bonds for the 1910-11 excise year are expected to cost more in New York city than heretofore.

The **Pacific Coast Casualty** has asked for permission to transact a general casualty business in New York State. It is understood the company will be represented here by Whilden & Hancock, and that excise bonding may also be done. The company's charter is now before Superintendent Hotchkiss for inspection.

The British Government will institute an inquiry into the operation of the **Workmen's Compensation Law** of 1906, as many complaints have been lodged, particularly as to the ambiguity of certain clauses. Both the employers and the employed are dissatisfied.

A Massachusetts court decision is to the effect that illness from **glanders** is **one of the accidental disabilities** covered by an employers' liability policy. The action was brought by a hostler who became infected through the negligence of the owner.

The president of the **Philadelphia Casualty Company** announces the renewal of contracts with Mr. Hugo Nettle, as manager of the plate glass department, and Mr. F. Seymour Giles, as manager of the department for New York city.

The Ohio Insurance Department announces the failure of the **Columbus Casualty** to make good its impairment of capital, which was promised to be paid on July 25, and the time then extended to August 16.

The American Express Company, which handles some cotton, has asked foreign bankers to approve a form of **guaranteed bill of lading** which it is willing to issue on its shipments of cotton.

In Kansas the **failure** of an employer to **provide safety appliances** is held by the Insurance Superintendent to estop the common law defense of contributory negligence and assumption of risk.

The **Commercial Life and Casualty of Savannah** wrote its first policy August 22. It will devote attention solely to life business at present, leaving the casualty and accident lines until later.

The **Northwestern Casualty of Milwaukee** has reinsured its business in the Wisconsin National Life of Oshkosh. The latter is about to enter Illinois, Minnesota and the Dakotas.

The **Provident Health and Accident** insurance company of Indianapolis has been granted a charter and licensed to do a health and accident business.

Insurance Legislation.

Texas.

AUSTIN, August 22.—In the new special session insurance legislation conditions have not changed much from those which prevailed when the last special session was adjourned. The Senate today passed a bill repealing the present fire in-

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surance rating law, and repassed its committee substitute bill of the last session, known as the "maximum rate bill."

This bill, as before, does not satisfy the House of Representatives, and another disagreement seems probable. There is some talk of repealing the present fire rating law as a compromise, and then appointing a joint commission to investigate the whole subject of fire insurance regulation, and report to the Legislature at its next regular session in January, 1911.

AUSTIN, August 25.—Conferences between the Senate and House are being held, with no results at present.

Official Reports.

Oregon Fire Insurance Report.

Insurance Commissioner Samuel A. Kozer, of Oregon, in his annual report says that in 1909 the premiums paid for fire insurance in that State amounted to $3,013,072, while $943,181 was paid in losses and $645.553 returned to the insured on account of risks cancelled. The balance was $1,424,338, and about this the commissioner says:

The total of the amounts paid for insurance after deducting the amounts paid for losses and premiums returned appears to be quite a large sum, which the property owners in the State have been required to contribute during the year for protection against loss of their property by fire, and undoubtedly is, when we compare it with the results in other States.

Fire insurance rate making is discussed by the commissioner as follows:

The question of rates is one which is now receiving much attention, especially in the States of the Mississippi Valley and those bordering on the Gulf of Mexico. Two years ago the Legislature of Kansas gave to the Insurance Commissioner authority to adjust rates, and while that official has ordered some changes in the rates which shall be charged by insurance companies in that State, the result has been nothing more than a general readjustment without any reduction in the general average charge.

It occurs to me that in view of the fact that the experience of the entire country for a long term of years is before the companies, the fixing of a rate by the rating boards or bureaus in the different States is a mere matter of adjustment between the particular States or sections of the country, and the entire country, after taking into consideration local, physical, climatic and other conditions which materially enter into the determining and adjustment of the rate. The rate cannot be based on the experience of a State alone, as I believe the tendency is in some of the States at the present time, but must be upon the entire country in order to secure a fair average for all conditions.

A rating bureau for a State, or any portion of the country, must stand in the same relation as a board of equalization to the State, its province being merely to promulgate fair and equitable rates for that particular section, in relation as the experience of the entire country in which the companies are doing business, and a rating commission provided for by the State could not exercise further functions than to ascertain whether the rates as promulgated were fair and just to the different localities.

In connection with this subject the point has been raised by a commissioner, and justly so, that if one or any number of States attempt to base the rates which shall be charged thereon on the experiences of the companies operating within their borders, ignoring the general average for all the States, a gross injustice will be done, as the problem of rate regulation cannot be solved by one State forcing down the rates at the expense of another. The interests of the whole country must be considered, and not simply a small section of it. I think the point has been well taken by this commissioner, but an analysis of the figures which show the different rates which have prevailed in the States of the Union for a given term of years, and the loss ratio in proportion to the premiums collected during a similar period, leads me to the conclusion that Oregon has not, in the past, been accorded fair and equitable treatment in regard to this question. For example, the average rate charged in the States of the United States and Canada covering periods ranging from seven to forty-two years is approximately $1.08 per $100 of insurance, while the average age loss ratio to premiums received covering the same experience has been about 55 per cent. In Oregon, on a basis of twenty-seven years' experience, which has been included in securing the foregoing results, we have been paying an average rate of $2.15 on a loss ratio of 40 per cent. These figures convince me that the hazard in the State is such as to warrant a corresponding reduction in the average premium charge which our citizens and property owners should be required to pay to afford such indemnity against loss by fire as their needs may demand for the protection of their property and maintenance of their credit.

In reference to the rating bureau established by the companies the commissioner says that it has materially reduced rates, and he anticipates further reductions through it. He adds:

The results of the enactment of the law requiring the rates to be "home made" is indeed apparent, for the average rate has been reduced from $2.14 for the year 1908 to $1.70 per $100 of insurance for the year 1909, and it is to be hoped that further reductions will be speedily made by the rating bureau in order that the rates as charged in Oregon may be proportionate with the rates which are charged in other States where similar conditions exist. It must not be expected, however, that as low a rate can prevail in Oregon as prevails in many Eastern and older and more thickly populated States, for the general conditions here as regards building construction, fire protection and expenses of transacting business are vastly different, and I hope our citizens will take sufficient interest in the matter to assure themselves that they are paying only a just and equitable rate for the needed protection.

Minnesota Fire Insurance Report.

Insurance Commissioner Hartigan has issued the first part of the thirty-ninth annual report of the Minnesota Insurance Department, dealing with the fire insurance business in the State. He says that the people of Minnesota paid during the year 1909 $8,658,171 in fire premiums, practically $4 per capita for every inhabitant, and the losses paid during the year average $2 per capita. It was safe to say that the losses paid do not cover over two-thirds of the value of the property destroyed, so that the actual loss to the State last year was $3 per capita. The average loss per capita in Europe is about 33 per cent. In Italy it was 12 cents per capita. In this country it was $2.14. The commissioner says:

As we permit fire to destroy such an immense amount of property, we are necessarily under a high expense to put out these fires and prevent general conflagrations. The cost for fire protection in such cities as St. Paul and Minneapolis is annually about $2 per capita, while the cost per capita in the large European cities varies from 8 cents to 30 cents.

While these figures apply particularly to Minnesota, these conditions are duplicated in every State of the Union. The nation is as extravagant in this line as in all others. The abundance of our natural resources seems to have bred in the people a desire for extravagance in all things. I am not sure that we do not pride ourselves upon the fact that we burn up every year a much greater amount of valuable property than does any other civilized country.

The causes of this fearful waste are evident. They are faulty construction, inadequate building codes, non-enforcement of such laws as exist, carelessness and overinsurance. Perhaps the conditions for which the public are liable may all be summed up under the head of carelessness. The individual who builds is careless as to the constructon of his building; he is careless as to the enactment of adequate building laws, careless as to their proper enforcement and careless in the prevention and punishment of incendiarism. In general, he seems to be convinced that the insurance companies pay the loss and that he is not concerned in the matter.

Overinsurance is the fault of the company, or of its representative, the agent. The incompetent agent, with a single eye to the commission that he is to receive, accepts, in many cases, the assured's valuation of the property, with no idea as to its correctness.

The expense of doing business is too high. The average expense ratio of the American fire companies doing business in this State last year was 45 per cent. Of the foreign companies 41.56 per cent.

We know, of course, that an element of this expense is for the purpose of inspection and consequent improvement of risks and reduction of fire loss, but the largest single element is that of commissions, and these are, in many cases, unwarrantably high. Graded commissions presuppose a preference for certain

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classes of risks. There should be no preferred business. Every classification should bear its proper proportion of the cost of protection. This would undoubtedly result in an increase of rates on certain classes, but this increase of rates would work for the public good in forcing improvement of these risks.

The property owner who will not take every possible precaution for the protection of his property against fire is a menace to the community, and is not entitled to the payment of his loss from the contributions of the prudent and the careful.

The fire loss is a direct tax on every industry, on every piece of property, and, indirectly, on every individual. Insurance companies are merely collecting and distributing agencies, collecting from the insured sufficient sums to pay losses and expenses of management. Every property holder is paying his proportion of every loss, whether honest or dishonest. This truth is so elementary that it seems almost childish to state it, but the average property holder does not take this view of insurance. A general knowledge of this most elementary fact will force improved building laws and their strict enforcement. Municipal building codes have proved ineffective. There should be a State law and its enforcement should be in the hands of State officers. While we spend millions for the machinery necessary to put out fires, we spend practically nothing to prevent fires.

An analysis of the causes producing fires shows that at least one-half would be prevented by a careful inspection of the heating apparatus and electric wiring, removal of rubbish and enforcement of ordinances governing the use of such explosives as gasoline. It has been suggested that our fire departments could be utilized in this work of inspection. The agent should also take a prominent part in this work of suggesting improvements in the risk and the elimination of all features that add to the hazard. From 25 to 40 per cent. of the premium is too high a charge for its mere collection, but if the services of the agent include a practical examination of the risk and suggestions for its improvement they may well be worth a substantial part of this charge.

The commissioner says that he believes that the general adoption of a contingent commission's plan would result in greatly reduced losses, and consequently lower rates.

Massachusetts Life, Casualty and Surety Report.

The following are extracts from the annual report of the Massachusetts Insurance Department on life and miscellaneous insurance in that State. Commissioner Hardison says:

Reserves as now looked upon in insurance circles have a wider significance than formerly, or before liability, surety and credit insurance began to be written. Reserves and unearned premiums were then practically synonymous terms. Now, besides the premium reserve we hear of loss reserves; that is, funds held for undetermined losses upon which the contingency has occurred which entitles the insured to indemnity, the amount of which remains to be determined. In the three classes of insurance above noted loss reserves of this character have to be held in large amounts. In only one class, however, does our statute establish a rule for computing such reserves. Yet while it does establish a method of doing it for liability companies, there is a general belief, shared by the Insurance Commissioner, that this reserve, although it greatly increased the amounts held by the companies prior to its going into effect, is not large enough to protect properly the interests which are depending upon it.

Settlements under this class of policies are sometimes delayed for ten years or more, so that there are companies which cannot today give a completed experience on liability policies issued in the year 1900. Greatly to their credit, the companies doing this class of business are eager to have new laws enacted which shall provide for the setting aside of adequate reserves, and a committee of managers of these companies, representing practically all of them, is engaged in an exhaustive investigation to determine from the past experience of the companies what reserves should be carried to adequately protect their policyholders. The insurance commissioners also have taken up the same question through a committee, and later there will be a conference with the committee of the companies to compare notes and come to conclusions. Quite likely a bill will be drawn up for the consideration of the commissioners at their next convention, and if it passes muster then it will doubtless be presented to the legislatures of the various States for their consideration and judgment.

The question of surety loss reserves is more complicated, there has been less experience to use as a guide, and it is probably true also that experience would not be as reliable a guide as in the case of liability insurance. The practice of this department for several years has been, however, to require the surety companies operating in this Commonwealth to compare each year in their annual reports the actual amounts required to settle the unpaid losses at the close of the preceding year with the estimated amount carried as a liability, thus obtaining a line upon the adequacy of the estimates. With some companies their "judgment" has seemed to be wide of the mark, and this department has reinforced these estimates by increasing their loss reserves by a percentage equal to what experience shows the underestimate to have been in previous years. It is not a very scientific method, but is the best that is at present available.

The loss reserves of credit companies have been given considerable attention both by this department and that of the State of New York. The occasion for it was a joint examination by the two departments of the American Credit Indemnity Company of New York. In the absence of any statutory rule, and under the general authority to charge a proper liability for losses, the two departments worked out and adopted a rule which this department has since applied to the reports of all credit insurance companies transacting business in this Commonwealth. This rule, with the reasons therefor, is set forth in the report of the examination of the American Credit Indemnity Company substantially as follows:

The so called "reserves" usually charged as liabilities in the financial statements of credit companies may be classified as follows:

1. "Unearned premiums"—frequently called a "reserve" for unearned premiums, and which is determined by statutory requirement.

2. "Reserve" for unpaid claims under policies expiring more than three months prior to the date of the examination or statement, which is determined by estimating the probable payment to be made on each claim.

3. "Reserve" for unpaid claims on policies expiring during the three months next preceding the date of the examination or statement, which by common consent has for several years been estimated to be 50 per cent. of the gross premiums on such policies.

The liability on expired policies, computed as indicated above, will under normal conditions be adequate if good judgment has been used in estimating the claims on policies expiring more than three months prior to the date of the examination or statement, and the liability on expired policies may therefore be eliminated from further consideration in this connection.

THE LIFE INSURANCE SITUATION.

The change in the life insurance situation during the past five years has been very gratifying. Then there was excitement, uncertainty, fear and distrust. Today the companies then out of favor are proceeding in their work peacefully and successfully, having to a great extent, if not fully, won back the confidence and respect of the public. All companies are issuing better contracts than before, for most of the objectionable frills have been eliminated, leaving plain, straightforward agreements for insurance. No longer can an appeal be made to the gambling instinct of humanity by offering deferred dividend policies, presenting estimates of gains twice as large as will ever be realized. The agent must be content with setting forth what the policy is and leave out the extravagant estimates. These better contracts, with the improvement in the financial condition of the companies, the savings from economies, the wiser administration of their affairs, are of incalculable public value, for they promote confidence, curb the speculative tendency, lessen litigation and lift the whole business of life insurance up to a higher plane, where it can, without apology or blush, take its place among the other great business enterprises of the country which are improving the social condition of the people and aiding in the advance of civilization. It is the sunshine and calm following the tempest and devastation, the débris of which has been cleared away.

The question naturally arises whether the tempest was worth the cost, and was a real blessing. There can be no doubt as to what the answer of the average man would be, but at the same time others will argue that it was a great wrong to tear up business to its foundations, with the consequent losses to the companies and the loss of insurance to many of the disturbed policyholders who lapsed their policies. The view of the average man is more apt to be right touching questions which have a moral aspect, and the judgment that will be handed down to the future is that, notwithstanding the stress, the good results more than compensate for the loss.

But whatever the view of the past may be there are few if any who would care to go back to the old conditions unless it be those who profited by the extravagances. The higher plane of transacting business which has been reached contributes to the peace of mind and physical well being of the officials as well as to the gain of the insured, and while the officials still find it nec-

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essary to be up and doing in order to keep their respective companies in a healthful, growing conditon, their work is not carried on in the dark, as some of it, by some officials, used to be in the old days. Important questions are considered in the open, in their broader aspects, and with wider knowledge of the surrounding facts and conditions. The conferences of the heads of the companies, by means of the periodical meetings of their association, whose officials are engaged all the while in getting information on all questions relating to the business, are, like the conferences of the insurance commissioners, of great benefit, for there many of the important issues are discussed, the special knowledge possessed by one upon a particular subject under consideration is made the property of all, and a feeling of fellowship engendered which mitigates the harshness of competition, although it does not destroy legitimate rivalry.

Miscellany.

Associated Fraternities of America—Tenth Annual Convention.

(*SPECIAL REPORT.*)

The tenth annual meeting of the Associated Fraternities of America began at Atlantic City, N. J., on Monday, August 22, at 11 o'clock. Mayor Stoy welcomed the delegates, who numbered at the opening about sixty, with a prospect of a larger attendance later. Fifty-two organizations are members of the association.

PRESIDENT DONOVAN'S ADDRESS.

The session of the first day was devoted to the reading of the president's address, after which the main body adjourned until 10 o'clock Tuesday to give the several auxiliary sections the remainder of the day for their meetings. The following are extracts from President Donovan's address:

You have all doubtless received copies of the bill drafted by the insurance commissioners' committee on fraternal insurance. It is my understanding that the committee desires an expression of the attitude of this body toward their measure; and in view of its importance I would recommend that the convention give the bill careful and earnest consideration, and make their position regarding it so clear and plain that "all who run may read," and your incoming officers and executive committee will have no difficulty in understanding and carrying out your wishes in regard to it.

COURT DECISIONS.

Some recent decisions of the courts of last resort in the States of New York, Iowa and Wisconsin occasioned the fraternal managers considerable alarm at the time they were rendered, but after a more careful examination of them, and consequent better knowledge of the facts, I think it is generally conceded, or should be, that these decisions were due largly to faulty wording in the constitution, laws and certificates of membership of the societies affected by the decisions.

When the older societies formulated their laws there were but few decisions of the higher courts construing the law applicable to fraternalists as distinguished from legal reserve corporations. Now, however, the courts of last resort in nearly all the States have passed upon such questions more than once, and I am decidedly of the opinion that our principal trouble, and our best remedy therefor, as well as for the correction of many other evils with which we are afflicted, lies within ourselves, and that in applying this remedy we will find in this, as in everything else in life, that an ounce of prevention is worth a pound of cure; and that a revision of our own faulty laws and certificate contracts, so as to bring them within the language of the more recent rulings and decisions of the courts as applied to such contracts, is better than to undertake to secure a reversal of their decisions after they are made; and in accordance with this belief I would recommend that this matter be fully discussed at this meeting and a committee appointed consisting of three members, learned in the law and having experience in fraternal litigation, whose duty it shall be to procure and inspect copies of the laws and certificate contracts of the various fraternal orders, and suggest such revision of them as will in their judgment tend to avoid trouble of a similar character in the future.

THE MORTALITY COMMISSION.

I have had both occasion and opportunity during the year to come in very close touch with this important commission, and am simply astounded at the stupendousness of the undertaking, and the amount of work and effort that is being expended by the commission, both individually and collectively, to make the important work undertaken by them creditable alike to themselves, to the Associated Fraternities and the fraternal interests it is intended to benefit, and I hope that the encouragement necessary to the successful consummation of their great work will be given the commission, not only by the Associated Fraternities, but by the fraternal orders generally, irrespective of their affiliations, and that the societies which have not yet submitted their experience and data for the use of the commission will do so at an early date, so that the final completion of the work may not be delayed.

ACCOUNTING.

The fact is generally recognized, I think, that there is no uniform system of record keeping and accounting employed by the fraternal beneficiary associations. Appreciating this fact, a committee on system and accounts was appointed at the Omaha convention last year, under a resolution offered by Major C. W. Hawes, the chief duty and province of which was to inquire and investigate the systems of record keeping and accounting in use by the various fraternal societies and life insurance companies, and report their findings and recommendations to the association at this meeting.

That this committee has been unable to accomplish the results desired and expected is a matter of keen regret, as it must be apparent to all who have given this subject any consideration that the present system of record keeping and accounting in use by the various fraternal societies is entirely inadequate to their needs. And as the changed and prospective changing conditions confronting the societies will soon, if it does not already, make scientific actuarial accounting not only a requirement but an actual necessity, and as the adoption of a correct uniform system of record keeping and accounting by the fraternal societies will unquestionably mean the adoption in time of like methods by the life insurance world generally, it behooves the fraternal societies, if they desire to be abreast of the times, and be originators instead of imitators, to get busy. And with a view to the greater economy, efficiency and expediting of this important work, I would recommend that the committee appointed under Major Hawes' resolution of last year be reduced from seven to five members, to be selected from the present committee. As a correct uniform system of accounting, as well as a correct uniform report blank, must necessarily be a prime consideration in the determination of a correct uniform bill, and as both of these matters require the exercise of similar knowledge, experience and research, and the further fact that members of this committee have already had some valuable experiences in this line, it might be well to entrust both of these matters to this committee, clothing them with sufficient authority to enable them to confer and work in conjunction with the National Fraternal Congress and insurance commissioners' committee on uniform blanks, to the end that the results of their early joint action may be available for consideration by the commissioners at their coming annual meeting.

SECOND DAY'S PROCEEDINGS.

The second day's session was devoted to reports of committees and the reading of papers.

The committee on jurisprudence and legislation made an elaborate report, that covered the conferences on the proposed uniform bill for the regulation of fraternal insurance, but was careful as to any seeming indorsement, as had been all other utterances on the same subject.

The report of the committee on statistics and good of the orders showed forty-three societies reporting for 1909, with a membership at the beginning of the year of 2,618,197, covering $3,465,741,541 of promised protection, which had increased to the end of the year to 2,828,300 members, with promised protection of $3,766,587,570. The assets at the beginning of the year were $27,272,644, the income $41,146,193, the payments to members and beneficiaries $28,321,186, the management expenses $5,713,308, and the assets at the close of the year $34,384,343.

The tabulation by ages of exposure showed expected deaths, 20,827 (by National Fraternal Table of Mortality); actual deaths, 16,444, or 78.9 per cent.; expected claims, $28,038,484; actual claims, $22,221,659, or 79.25 per cent. Bearing in mind that few of the societies admit new members at ages as high

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as fifty, the effect of the mass of new lives in reducing the rate of actual to expected mortality is shown by grouping ages as follows:

Per cent. of actual to expected mortality:

Ages.	Deaths.	Protection.
20-29	73.6	73.8
30-39	75.4	74.2
40-49	75.0	75.0
50-59	87.2	87.1
60	96.5	100.8

At the afternoon session papers were read by Mrs. Frances E. Burns on "Problems and Successes of Women in Fraternal Work," and by Mrs. Lina M. Collins on "Lapses in Women's Societies and Some of the Reasons for the Same." Each paper was followed by an interesting discussion, largely by the ladies, members of the convention.

The tentative bill was referred to a special committee to consider, together with the amendments prepared by the National Fraternal Congress, the committee consisting of Messrs. Burnett of Omaha, Smith of Rock Island, Squier of Philadelphia, Iles of Chicago, and Eldridge of New York. The consideration of the bill by the committee was made a special order for 10 o'clock Wednesday morning.

THIRD DAY'S PROCEEDINGS.

The day was consumed, so far as the convention was concerned, with reports of committees, including that of the commission on the American fraternal mortality experience. This showed that cards covering 1,500,000 lives had thus far been received, and that from them the data was in process of tabulation. Cards covering 1,500,000 additional lives are being written. Arrangements have been made by which the results will be published under the auspices of the Department of Labor and Commerce of the Federal Government. The first publication, covering the experience of the Order of Locomotive Engineers, will be ready about October 1, 1910. The others will follow as rapidly as the data can be put in shape and the Government can make the publications.

In the afternoon the special committee on the revised tentative bill for the regulation of fraternal insurance reported, concurring in most essential regards, except Sections 23 and 23a, with the action of the Fraternal Congress. The most important difference from the action of the Fraternal Congress was in the matter of Section 5, sub-section 2, which relates to withdrawal equities. The report of the committee amends this by naming specifically paid-up and extended protection, and by providing further that withdrawal equities can begin only after five years of continuous membership.

Section 23, as reported by the committee, is a substitute for Sections 23 and 23a in the commissioners' bill. This relates to valuation, and the committee reports it for passage in the following form, the matter being under discussion at the time of adjournment, at 10:30 p. m:

Section 23 (annual reports). Every association transacting business in this State shall annually, on or before the first day of March, file with the Superintendent of Insurance, in such form as he may require, a statement under oath of its president and secretary or corresponding officers, of its condition and standing on the thirty-first day of December next preceding, and of its transactions for the year ending on that date, and also shall furnish such other information as the superintendent may deem necessary to a proper exhibit of its business and plan of working.

The committee recommends the following substitute for the second paragraph: "In addition to the annual report herein required, each society shall annually report to the Superintendent of Insurance a valuation of its certificates in force on December 31 last preceding, provided the first report of valuation shall be made as to certificates in force on December 31, 1915. Such report of valuation shall show the present value of certificates outstanding on the date of the valuation as contingent liabilities, and the present value of the future contributions, other than provisions for expenses, as contingent assets, employing said contributions for each society respectively as level for each age, on the basis of one stated contribution per month or increasing with advancing age of the members according as the same are in actual practice collected. At the option of any society, in lieu of the above the report of valuation may show the net value of the certificates outstanding on the said date of valuation, and said net value, when computed in the case of monthly contributions, may be the mean of the terminal values for the end of the preceding year and of the current insurance year. Such valuation reports shall be certified by a competent accountant or actuary, or verified by the actuary of the department of insurance of the home State of the society, and shall be filed with the Superintendent of Insurance within ninety days after the submission of the last preceding annual report. The legal minimum standard of valuation for all certificates in force, except for disability benefits, shall be the National Fraternal Congress table of mortality, or a table based upon the society's own experience of at least twenty years, and covering not less than 100,000 lives, or any higher table, at the option of the society, with interest assumption not higher than 4 per cent. per annum. Any society providing for disability benefits shall keep the net contributions, as above defined, for such benefits in a fund separate and apart from all other benefit and expense funds and the valuation of all other business of the society; provided, that wherever a combined contribution table is used by a society for both death and disability benefits, the Landis and Eldridge tables shall be the standard of valuation, and a separation of the funds shall not be required.

"The valuation herein provided for shall not be considered or regarded as a test of the financial solvency of the society, but such society shall be held to be legally solvent so long as the funds in its possession are equal to or in excess of its matured liabilities.

"A report of such valuation and an explanation of the facts concerning the condition of the society thereby disclosed, shall be printed and mailed to each beneficiary member of the society not later than June 1 of each year; provided, that such report of valuation and showing of the society's condition, as thereby disclosed, may be published in the society's official paper, and the issue containing same shall be mailed to each beneficiary member of the society. The laws of such society shall provide that if the stipulated payments by members are insufficient to pay all matured death and disability claims in full and to provide for the creation and maintenance of the funds required by its laws, additional or extra rates of contribution shall be collected from the membership to meet the deficiency."

FOURTH DAY'S PROCEEDINGS.

Almost the entire day was given to the report of the special committee on the revised tentative bill for the regulation of fraternal insurance. It was taken up section by section, and little dissent from the report of the committee occurred until Sections 23 and 23a were reached. On these, and the action of the committee in striking out Section 23a, much discussion arose, participated in by C. E. Piper, former president of the National Fraternal Congress, who was the accredited representative of that body to the Associated Fraternities. The position of the special committee was presented by George D. Eldridge, member of that committee, while Mrs. Burns, of the Ladies of Maccabees, made a strong plea for the retention of the clause. Late in the afternoon the report of the committee, by which the principle of valuation in strong form was retained, was approved by an almost unanimous vote.

Mr. John B. Lentz, of Ohio, presented an amended form of Section 23a, and this was referred to the special committee in conjunction with the corresponding committee from the National Fraternal Congress. The special committee was continued with power to represent the Associated Fraternities at the meeting of the Insurance Commissioners at Mobile, where it is hoped that the sub-committee of the commissioners, the special committee as above, and the corresponding committee of the National Fraternal Congress will be able to reconcile and adjust the few differences between them, and secure a workable bill, on which all can unite, since all three bodies have now approved the principle of annual valuations in almost identical terms.

Before the adjournment the Executive Committee was authorzied to use every effort to secure the enactment of the bill as

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completed by the several State legislatures during the coming winter.

Before final adjournment the officers for the ensuing year took their seats, consisting of: W. E. Davis, of Des Moines, president; A. R. Talbot, of Rock Island, vice president, and C. H. Robinson, of Chicago, secretary-treasurer.

Paid Life Insurance Premiums Sixty-four Years.

(*Mutual Interests.*)

The Mutual Life, being the oldest active life insurance company in America, is enabled to furnish from its records data of special interest bearing upon the business of life insurance. It is no uncommon thing for this company to pay claims on policies issued half a century ago. Many a man who insures his life would be alarmed if he thought the prospect of paying fifty annual premiums, notwithstanding the collateral joy of longevity. The statistics of the Mutual Life, however, prove pretty conclusively that the persistent policyholder who holds on to his contract and continues his premium payments to the end, is the man who secures the most successful financial results from his investment.

For example, Mr. Hiram Willey, of East Haddam, Mass., who died March 8, 1910, was insured in the Mutual Life in 1846, and annually paid a premium of $23,10 over a period of sixty-four years. He was insured for $1,000, and was one of this company's oldest policyholders. The number of his policy was 3,053, and was issued in the third year of the company's existence.

Some people think that the man who insures one day and dies the next week makes a great financial hit. There are such instances, but the records of this case of Mr. Hiram Willey show what happened when the unexpected occurs in the way of long life and many payments of premiums. While it is proper and necessary to say that the insured in such instances pays so many annual premiums, the fact is that the policy, after a certain period, supports itself if the insured prefers to use the dividends in payment of premiums. In this case the Mutual Life added $2,186.07 to Willey's original insurance of $1,000. He used $1,080.07 of the additions with which to pay premiums. Finally his estate received $2,106. The net premiums received by the company amounted to $640.60, and the return over cost to the insured was $1,465.40. This certainly was a good investment, particularly when the fact is taken into consideration that he had insurance protection for the whole of the sixty-four years.

Mr. Daniel Phreaner, of Media, Pa., was a long-time policyholder in the Mutual Life. He secured a policy for $2,000 in 1860, and when his death occurred in February last he had paid fifty-one annual premiums of $50.46. Mr. Phreaner was one of the wise men who allowed his dividends to remain with the company and secured the benefits of compound interest. Mr. Phreaner used but $78.75 of the $2,649 additions to his policy. The claim paid by the Mutual Life amounted to $4,649, showing a return over cost of $2,154.29.

These illustrations showing how in old age the cost of maintaining a policy in the Mutual Life gradually lessens and ultimately becomes a source of profit to the insured, are in striking contrast to the exhibits made by the "fraternal" and assessment companies, where a penalty in dollars and cents is placed upon the old policyholder.

On Partnership Insurance—A Neglected Field.

Neither in this country nor abroad has partnership insurance been cultivated by the insurance companies to the extent it might be with profit to them and advantage to the insured. The *Insurance Record* of London has the following timely article on the subject:

It would be difficult to point to a more urgent need for life assurance than that which arises in connection with a business dependent upon the energies of more than one principal. Instances could be readily given where the death of a partner has seriously affected or even caused the failure of a commercial enterprise. It is, therefore, matter for no surprise that there exists a steady demand for life assurance in the direction of the protection of a business against loss of the factors which have mainly conduced toward its success, and which are so essential to its continued prosperity—the brains and energy of the managing heads. A firm which neglected to protect itself against loss by fire would certainly be considered deficient in business ability, and would receive but scant sympathy when reaping the fruits of its lack of foresight. But there is perhaps much greater likelihood of the loss of a partner by death than there is of loss by fire, while the consequences in the former event might easily be more serious than in the latter, so that in either case the risk should be discounted as much as possible in advance.

The arguments in favor of partnership assurance are much the same as would be adopted by the agent in offering insurance for protection of a family, for the family is practically a firm in which the man and wife are partners, so that the theory of life assurance applicable to the partners in a marriage contract equally applies to the firm that relies for its prosperity upon the lives of men in managerial control or responsibility. It is not a question merely of the deceased partner's interest, for there must be taken into account the loss to the firm of his services and ability, which may have been a prominent factor in the success of an undertaking, and should therefore be insured for the protection of the business.

The value of a life policy in connection with arrangements to provide capital to meet the contingency of retirement or death of a partner, and avoid the serious inconvenience which a sudden withdrawal of capital must necessarily occasion, is easily seen. Two young men, for example, desire to start an enterprise which will require all their combined funds. Individually they cannot afford to carry large insurances. Partnership assurance offers to give each of them a policy equal to the amount invested, the firm to be the beneficiary. In case of death of one partner the capital remains unimpaired, and the investment of the surviving member is safeguarded. The great advantage a life policy possesses, as compared with the raising of capital by way of mortgage, is readily apparent. The cost of the policy is less, and it leaves no burden upon the business estate; in the case of a mortgage debt the whole amount will ultimately have to be repaid, whereas in the case of a life policy the premiums alone will provide for the capital and leave no debt, while the sum assured may increase by bonus additions. Enhanced credit at the bankers is another advantage of partnership assurance which will be appreciated by commercial men.

So essentially necessary is this branch of business that it is a matter for wonder that canvassers, as a general rule, give it such scant consideration and attention. No town is too small to have a few firms needing this form of protection, while most agents could quote, from their own experience, examples where a firm has been compelled to wind up its affairs at a sacrifice on the death of one of the partners simply because partnership cash is not to hand to meet the insistent demands that come at such a time. Agents who are complaining of the pinch of competition in the insurance business might find it a paying policy to interest themselves a little more in a branch which, while of immense benefit to individuals, is likely to render good public service by affording financial aid to trading undertakings at a time of great need.

EXCELLENT OPPORTUNITY

FOR

DIRECT AGENCY CONTRACT.

The Manhattan Life

INSURANCE CO.

of New York desires to make direct contracts, with good producers, for unoccupied portions of the following States: New York, New Jersey, Pennsylvania, Kansas, Idaho and Washington. The usual commission contracts with allowance for office expenses will be made. The policy forms of the Company are up-to-date, the premium rates are low and the annual dividends attractive.

Home Office: 66 BROADWAY, NEW YORK.

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ASSURANCE COMPANY, LIMITED, OF LONDON

(ESTABLISHED 1782)

LOSSES PAID, OVER - - - $200,000,000

HEAD OFFICE FOR THE UNITED STATES

47 CEDAR STREET, NEW YORK CITY

A. D. IRVING, JR., SECRETARY — LOUIS P. BAYARD, PERCIVAL BERESFORD } JOINT MANAGERS

HARTFORD LIFE INSURANCE COMPANY

CHARTERED FORTY-THREE YEARS

GEO. E. KEENEY, President. THOMAS F. LAWRENCE, Secretary

1909 Policy Contracts are Participating and Non-Participating. Annual or Deferred Dividends—Rates revised and made lower, Values based upon the FULL RESERVE. Desirable Contracts for Producers. Address—

Second Vice-President, Home Office, HARTFORD, CONN.

1828. THE 1910.

Pennsylvania Fire Insurance Company

OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,349,097.67
Surplus	2,233,426.43
Total January 1, 1910	$7,332,524.10

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

INCORPORATED 1851.

Berkshire Life Insurance Company

OF PITTSFIELD, MASS.

All Policies issued by the Company are subject to the Massachusetts Non Forfeiture Law.

JAMES W. HULL, President.
W. D. WYMAN, Vice-Pres. and Treasurer. J. M. LEE, Actuary.
THEO. L. ALLEN, Sec. ROBT. H. DAVENPORT, Asst. Sec.

Agencies in all the principal cities of the United States.

"The Leading Fire Insurance Company of America."

Incorporated 1819. Charter Perpetual.

Cash Capital	$4,000,000.00
Cash Assets	18,062,110.33
Total Liabilities	7,999,405.99
Net Surplus	6,062,704.34
Surplus as to Policyholders	10,062,704.34
Losses Paid in 91 Years	119,451,567.10

WM. B. CLARK, President.
W. H. KING, Vice President.
HENRY E. REES, Secretary.

A. N. WILLIAMS, E. J. SLOAN, E. S. ALLEN, GUY E. BEARDSLEY, W. F. WHITTELSEY, JR., "Marine," } Assistant Secretaries.

WESTERN BRANCH, Chicago, Ill.
THOS. E. GALLAGHER, Gen. Agt.
L. O. KOHTZ, Asst. Gen. Agt.
J. S. GADSDEN, Gen. Agt. "Marine."

NORTHWESTERN BRANCH, Omaha, Neb.
WM. H. WYMAN, Gen. Agent. W. P. HARFOKD, Ass't Gen. Agent.

PACIFIC BRANCH, 514 California St., San Francisco, Cal.
E. C. MORRISON, Gen. Agt.
A. G. SANDERSON, Asst. Gen. Agt.

INLAND MARINE DEPARTMENT.
CHICAGO, 159 La Salle St. NEW YORK, 95 and 97 William St.
BOSTON, 70 Kilby St. PHILADELPHIA, 226 Walnut St.

The Columbian National Life Insurance Co. of Boston, Mass.

LIFE, ACCIDENT AND HEALTH INSURANCE

The Only Massachusetts Non-participating Company.

The New Columbian Policies are Unexcelled in Clearness and Liberality. Good Contracts and Territory for Good Producers.

ARTHUR E. CHILDS, President

COMMERCIAL UNION ASSURANCE Co.

LIMITED,

OF LONDON.

OFFICE:

Cor. Pine & William Sts., New York.

GUARANTEES—NO ESTIMATES

ARE ALL POLICIES OF

American Central Life Insurance Co.

INDIANAPOLIS, INDIANA.

INSURANCE IN FORCE, $25,000,000. ASSETS $2,462,000

High Class Salesmen Wanted in

Tennessee, Missouri, Arkansas, Alabama, Michigan, Pennsylvania, Ohio, Indiana, Illinois, Texas, Kansas, Oklahoma and Kentucky

A NEW PLAN

OF COMPENSATING SALESMEN

Write for Information Today

THE LEADING FIRE COMPANY OF THE WORLD

[of Liverpool, England.]

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NATIONAL POLICIES SATISFY THE PUBLIC

NATIONAL CASUALTY DETROIT

NATIONAL CONTRACTS SATISFY THE AGENT

Territory open. Write for terms.

THE CONNECTICUT MUTUAL

That means the best life insurance to have and the best to sell. If you can sell life insurance, you can sell more of it for the CONNECTICUT MUTUAL.

Men of character and ability are invited to apply.

CONNECTICUT MUTUAL LIFE INS. CO., Hartford, Conn.

Please mention this paper

1860 50TH YEAR 1910

HOME LIFE INSURANCE COMPANY

OF NEW YORK.

GEORGE E. IDE, President

ASSETS, $23,626,018.63 LIABILITIES, $21,858,691.52 (Including Deferred Dividend Fund)

Dividend-Endowment Fund (Deferred Dividends)	$2,119,044.00
Net Surplus	1,767,327.11
Insurance in Force	92,532,583.00

The Record for 1909 shows the following GAINS:

Insurance in Force	$4,164,239.00
Assets	1,917,117.00
Deferred Dividend Reserve	148,581.00
Contingency Reserve (Surplus)	655,149.17

OLDEST IN AMERICA STRONGEST IN THE WORLD

The Mutual Life

Insurance Company of New York

Mutual Life Agents Make Most Money Because Mutual Life Policies Sell Most Freely

For terms to producing agents address:

GEORGE T. DEXTER, 2d Vice-President,

34 Nassau Street, New York, N. Y.

[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1, 1910

CAPITAL

$1,500,000

RESERVE FOR ALL OTHER LIABILITIES

8,222,018

NET SURPLUS

6,440,211

ASSETS

16,162,229

GERMANIA

FIRE INSURANCE COMPANY

Organized 1859 **NEW YORK**

Cash Capital	$1,000,000.00
Assets	$6,562,339.14
Net Surplus	$2,008,419.02
Surplus for Policy Holders	$3,008,419.02

HEAD OFFICE: Cor. William and Cedar Streets

The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1910	$3,470,509.30
Total Liabilities, except Capital	1,920,837.24
Capital	500,000.00
Surplus to Policyholders	1,549,672.06

F. F. BUELL, Special Agent, Troy, N. Y.

Provident Life and Trust Co.

OF PHILADELPHIA.

The Provident has been particularly distinguished for the development of a highly trained force of agents. The systematic instruction which its agents receive has resulted in their being recognized as representatives of exceptional knowledge of the business and of marked efficiency.

Insurance Company of North America

FOUNDED 1792

232 Walnut Street, Philadelphia

Assets, January 1, 1909 ..... $12,014,062.63

LIABILITIES—Reserved for Reinsurance and all other claims	$7,263,156.97	
Capital Stock	3,000,000.00	
Surplus over all Liabilities	1,750,905.66	$12,014,062.63

Agents in all the principal towns and cities.

EUGENE L. ELLISON, President.

T. HOUARD WRIGHT, Secretary. HENRY W. FARNUM, Assistant Secretary.

BENJAMIN RUSH, Second Vice President. JOHN O. PLATT, Assistant Secretary.

Surplus to policyholders, $4,750,905.66.

Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

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A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS is unsurpassed for net low cost and care of interests of all members.

The Penn Mutual Life Insurance Company
OF PHILADELPHIA

On January 1, 1909, rates were reduced and values increased to full 3 per cent. reserve.

National Life Insurance Company
of the United States of America

ALBERT M. JOHNSON, President

More than $9,750,000.00 in Assets
Excess Security to Policyholders,
$1,300,000.00

Chicago's Oldest and Strongest Company

OUR NEW POLICIES ARE WORLD BEATERS
LOW RATES AND HIGHEST VALUES

You Lose Money When You Neglect Your Chance to Sell Them

WRITE TO
Robert D. Lay, Secretary, 159 La Salle Street, Chicago.

North British & Mercantile
INSURANCE COMPANY,
OF LONDON AND EDINBURGH.

Established 1809.

OFFICE:
76 WILLIAM STREET,
New York City.

THE HOME LIFE INSURANCE COMPANY
OF AMERICA. Inc. 1899

JOHN LANGHAM, Jr., President JOSEPH L. DURKIN, Secretary
EDWARD P. MADDEN, Treasurer

General Agents and District Managers
who can produce Ordinary Business can secure "GROUND-FLOOR" contracts with GUARANTEED RENEWALS and an assignment of territory limited only by capacity to produce AGENCY ORGANIZATION and Business. Send for Sample Policy. *It is one you can sell.*

New Business, $1,500,000, January-June, 1910.

Address GEO. M. NETTLESHIP, General Manager
Executive Offices, 416-18-20 Walnut St., Philadelphia, Pa.

HANOVER
Fire Insurance Company
OF NEW YORK.

Agencies
in all the Principal Places
in the United States.

Western Assurance Company
HEAD OFFICE: TORONTO, CANADA.
INCORPORATED 1851.
Hon. GEO. A. COX, President.
W. R. BROCK and JOHN HOSKIN, K. C., LL. D., Vice Presidents.
W. B. MEIKLE, General Manager.
UNITED STATES STATEMENT, JANUARY, 1910.

Assets	$9,877,208.87
Surplus in United States	889,268.07

"STRONG AS THE STRONGEST"
THE NORTHERN ASSURANCE CO.
(Ltd., of London)
ORGANIZED 1836 ENTERED UNITED STATES 1876

Losses Paid	$83,000,000
Losses Paid in United States	$27,000,000

EASTERN AND SOUTHERN DEPARTMENTS,
Company's Building, 38 Pine Street,
New York

Net Surplus and Capital, $486,413
Income 1909, . . . 1,146,723

WILL AID GOOD MEN IN ESTABLISHING AGENCIES
Best Policies, Largest Commissions or Profit Sharing Contract
NORTH AMERICAN ACCIDENT INS. CO.
A. E. FORREST, Vice-Pres. & Sec'y, Chicago.

THE
John Hancock
MUTUAL
LIFE INSURANCE COMPANY
OF BOSTON MASSACHUSETTS

Good Contracts for Good Men.

ROLAND O. LAMB, President.
Robert K. Eaton, Superintendent of Agencies.
Walton L. Crocker, Secretary.

WILLIAM N. COMPTON, General Agent, St. Paul Building, New York

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The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK. Secretary.

SEPTEMBER is convention month in insurance as well as in politics, and all kinds of underwriters will be getting together to discuss practices, make laws and listen to wisdom from the mouths of expert essayists. The life insurance agents will meet at Detroit next week, the local fire insurance agents at Chicago, the Western Union managers at Frontenac, and the Western and Southern life insurance companies at Des Moines the week following; the accident underwriters in the White Mountains September 20, and the State insurance commissioners at Mobile September 27. In addition there will be State and local association gatherings. No insurance Roosevelt will be going up and down the land stirring up things, as in politics, but there will be just as much zeal and interest displayed in their affairs by the concentrating insurance men as by the politicians in theirs. If it be not too late let us, as customary, ask the attention of the expert essayists to the everlasting truth that they are more likely to get all their ideas printed in the insurance papers if they will boil them down than if they leave them to the editorial boiler, who is constrained by limitations of space. Every writer can hope to be heard who will sink pride, cut out verbosity and cherish compression.

POSSIBLY the recent outgivings of Mr. Lock and Mr. Evans and other rational fire underwriters may have had a soothing effect on the commissions' situation, for it is obvious that there is less unrest among agents than there was a few weeks ago, when there were State associations making faces at the companies and a president of a Southern association uttering dire threats if commissions in his section were not made equal to those in the North and West—where the brokers share them with the agents. There is evidence of this in the action of the Wisconsin agents' convention held last week, which discouraged a discussion on commissions on the ground that they are a matter of private arrangement between companies and agents, and do not come within the province of agents' legislation. These Badger locals even refused to express an opinion on contingents on which a lone member wanted a vote. Whether the same degree of composure will pervade the annual meeting of the National Association now near at hand may be doubted, for the secretary will be right on the spot; but the recent indications of a growing disposition to consider the problem of equitable commissions in the light shed upon it by the rational home office executives to whom allusion is made are welcome.

THE new employers' liability acts of New York, largely increasing the liability of employers for compensation to injured workmen and the new schedule of rates devised by the insurance companies to meet the increased liability, went into effect on Thursday of this week. Proceedings so revolutionary, affecting interests so vast as the relations between the employers and the employed in the industrial pursuits in the State, have necessarily provoked widespread attention. One of the city daily papers, in an editorial article, has expressed the view that the advanced rates of the insurance companies may not be justified, for the reasons that the increased severity of the law will force employers to adopt better safety appliances and stimulate greater watchfulness, and the option allowed to workmen to accept fixed rates of compensation, in lieu of resorting to the courts—thus doing away with a mass of litigation expensive to the companies—will lower the cost of insurance. The editorial commentator estimates that sixty-three per cent. of the premium which has been paid by employers for insurance has been disbursed by the insurer for salaries of high class lawyers, fees of claim agents and the difficult procurement of evidence in usually protracted litigation. Regarding the preference of workmen for the optional agreement insuring a certainty of compensation up to $3,000, it is asserted that this feature of the law was urged upon the State Commission which investigated employers' liability conditions by the Central Labor bodies of the city, as well as many large employers. The former, in a plea for the optional plan, claimed that in cases at law juries have been inconsistent in assessing damages, under apparently the same circumstances, setting the most diverse values on human life, and that this is due to the custom of compromise verdicts, large employers and insurance companies being able to avail themselves of the most expert legal ability and having the most perfect machinery for securing evidence, while the poor litigant is at a disadvantage in these respects. Hence, it was claimed by the labor leaders, injured workmen would not desire to go to law if they had the alternative of a positive contract for indemnification. There would be merit in this contention if it could be proved to be based on experience. But all the experience that has been had so far has shown an opposite tendency among the workmen. As Dr. Keelor in a communication to our daily contemporary has pointed out, suits for damages under the employers' liability law continue in England, notwithstanding the liberal provisions of its workmen's compensation law, more than 3,000 liability suits having been heard by the English courts in one year since the passage of the law. To quote Dr. Keelor as to the

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reasons for a probable failure of the optional provision in the New York laws:

Workmen will not as a rule favor the voluntary compensation plan, for the reason that it takes away the right to sue for damages under the employers' liability law. The workman wants to retain this right because in a considerable number of cases he can collect larger damages under the liability law than he can collect under the voluntary compensation plan, and, on the other hand, the employer will not, as a rule, favor the voluntary compensation plan because it calls for too much red tape to make it effective.

The indications are strong, therefore, that there will be little diminution of the cost of litigation to the companies which undertake to indemnify the employers, while the broadening of the liability of the latter, the sweeping away of some of their material defenses and mandatory compensation in certain classes of industry under the new laws will measurably increase the insurance hazards. The new rates may not even be equal to the new hazards. They are at best experimental. If any of the hopes of the friends of the laws, as to reduced liability under their operation, are realized there will be time enough to consider whether rates can "go lower than ever." But there is very much yet to be learned. Future legislatures may adopt more drastic features and other States may follow the lead of New York. Meanwhile safety to the insurer can only be determined by absolute adequacy, whatever that may be.

Facts and Opinions.

The *Journal of Commerce and Commercial Bulletin* has been printing some important communications on the matter of **reduction of expenses of fire insurance companies,** written by such men as Frank Lock, United States manager of the Atlas, and E. H. A. Correa, vice president of the Home, both of whom speak from the underwriter's standpoint, and Samuel R. Weed, of the brokerage firm of Weed & Kennedy, who treats the topic from the broker's standpoint and makes reply to some of the statements of the other two. But a new note is sounded in the communication from John R. Waters, a certificated broker, who says that the fire insurance broker ought really to be paid by the insured instead of the companies. His views are:

Regarding the problem of reducing the expense ratio in fire insurance it is stated by Frank Lock, in your issue of August 29, that there are in this city of New York 8,000 registered brokers who have been attracted into the business by high rates of brokerage. He also says that it is not practicable to eliminate the broker in large cities, because there his services are absolutely demanded by the public. I submit that it is illogical to make this public demand a factor in the expense ratio problem. Notwithstanding that at present the companies pay the brokers' compensation, recouping themselves through the rates of premium, the broker is, in law, the servant not of the companies, but of his clients, the insured. Thousands, perhaps a majority, of the policyholders in this city now employ brokers for no other reason than that they themselves cannot collect the brokerage. Why, then, not reduce the rates of premium by the amount of the brokerage and let the insured compensate the broker direct, just as a purchaser of stocks or bonds does?

If this were done would not those buyers of insurance who prefer to use an intermediary rather than to support a salaried insurance clerk or to attend to their insurance in person, continue at their own expense to employ such brokers as have any reason for existence? Let the companies absolutely quit paying brokerage commissions to anybody and by so doing not only to that extent solve the expense problem, but put an end to certain despicable conditions which debase the business of fire insurance in this city.

I would refer particularly to the attitude of the 8,000 in regard to the pledge which they must sign to the insurance companies that they will not rebate to their clients directly or indirectly any part of the commissions which they receive from the companies. That this pledge is a farce is shown by the fact that nobody ever heard of a broker being deprived of his certificate for violating the pledge. Yet, anybody familiar with human nature, and aware of the fierce competition which exists among the 8,000, does not have to be one of them to be confident that the pledge is generally and constantly violated.

Every broker who seeks for new clients receives evidence of this from all directions. The punctilious ones see their clientage dwindle and would see it disappear altogether did they not placate their clients by giving up all or part of the brokerages they receive on lines other than fire, thus beating the devil around the stump. As nobody supposes that the companies are ignorant of this state of affairs, it would be interesting to learn from Mr. Lock, or some other high authority, what their reasons are for allowing it to continue. I venture to predict that if the companies do not correct the brokerage situation soon the State will surely step in and "reform it altogether."

To men who are familiar with the fire insurance business, says the Fireman's Fund *Record,* it seems as though a little thoughtful consideration of the subject must certainly convince any intelligent person that **State made rates** for fire insurance are **neither advisable nor practical.** Insurance is governed by laws of average that can only be determined by a wide extension of the business and by the results of many years. Fire insurance rates must not be based upon the fire losses of a single town; nor would the loss by fire in any one State be a safe basis for fire insurance rates, as the burning of a few buildings in one case, or a general conflagration or two in the other case, would so disturb those rates that business of all kinds would suffer thereby in a most unsatisfactory manner. The desire for State made rates is, of course, simply a desire for lower rates, but experience shows that until losses by fire decrease any reduction of rates for insurance would deprive insurance companies of the very slender margin of profit they are now making on underwriting. Insurance against loss by fire is an extremely hazardous business, and the capital invested in it should pay at least 6 per cent. During 1909 the underwriting profit for fire insurance companies throughout the United States was a little over 6 per cent., but that must be considered an exceptional year, as the trade (underwriting) profit for the ten year period previous to 1909 shows an aggregate loss to the companies of nearly 3 per cent. If the States in which people demand lower rates for fire insurance will see that buildings are properly erected and cared for; that every fire is investigated as to cause and results; that the responsibility for fires are determined, and that penalties are enforced for carelessness in connection therewith, the loss ratio will doubtless be reduced one-half or more, and corresponding reductions of fire insurance rates will follow as inevitably as that one day follows another.

The reputation of Col. Joseph Button, Insurance Commissioner for the State of Virginia, for fearlessness in speech is well sustained in his statement regarding the affairs of the **Royal Benefit Society** of Washington, which society was ousted by the commissioner from Virginia. He says he put it out of business in that State because it was not a fraternal within the meaning of the Virginia statutes, because it admits both whites and negroes, "between whom there can be no fraternal relations on account of their physical and racial differences, fraternity implying intimate social and personal relationship upon terms of absolute equality." He charges that the company was conducted "for the benefit of its officers." and presents at length the details of the transfer of the American Home Circle, a bankrupt Illinois fraternal, for which a fee of $5,000 was paid to a New York concern composed of officers of the Royal Benefit Society. In conclusion Colonel Button says:

The undersigned Commissioner of Insurance presents as conclusive evidence that the Royal Benefit Society has been deliberately looted, as a result of the deal between its former and supreme officers, the fact that on December 31, 1908, the ledger assets of the Royal Benefit Society were approximately $21,000, with liabilities of approximately $6,000, and that on December 31, 1909, the ledger assets of the Royal Benefit Society, eliminating the assets of the Famobrosis Society in escrow, were approximately $15,000, and the liabilities approximately $43,000. Could any more evidence of the utter bad faith of the two groups of officials in making the deal of November 4, 1909, be desired? Think of the ignorant negroes who have for years paid their hard earnings into the Royal Benefit Society under the belief that this was was a fraternal benevolent institution, and think that the State of Virginia and other States have exempted such an institution from all taxes under the belief that it was a semi-benevolent institution operated, not for profit, but for the public good.

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Our large life insurance companies which write business abroad will be interested in a proposed new **Life Assurance Act for India,** of which the London *Financial Times* says:

It is now definitely intimated that the Government proposes to proceed with a life assurance act for India. But there will be no undue haste, for the heaven born are at Simla, and will not return to Calcutta until November. A Calcutta paper professes to give a forecast of the new measure, which, it says, will closely follow the act which has just come into operation in England. The prophecy is a safe one, and the principal point of interest relates to the deposits which the companies will be required to make. The authority cited asserts that it will be Rs. 50,000 for each class of business conducted. This is equivalent to £3,333, and, although not an extravagant sum, would be sufficient to dispose effectually of some of the concerns which have been started by Indians possessing very incomplete ideas of what insurance means. A summary of the first report of one office which has been recently issued shows policies for over Rs. 300,000, against which there is a life assurance fund of less than Rs. 6,000. The paid up capital is Rs. 16,000, and the premium income is stated at Rs. 15,000, of which Rs. 10,000 is outstanding. There are, however, companies which make an even less favorable showing. In reply to the inquiries of the Government, the committee of the Bengal Chamber of Commerce, after going thoroughly into the matter, has declared in favor of the adoption of the English companies act in India, with certain minor modifications to meet the circumstances of the country. This is very gratifying, in view of the fact that a large proportion of the members of the chamber will be personally affected by the new law when it is brought into being.

Numerous committee changes in the **New York Fire Insurance Exchange** have been announced, as follows:

C. W. Sparks, of the London Assurance Corporation, retires from the arbitration committee, and is succeeded by W. C. Chambers, of the Sun Insurance Office.

The arbitration committee now consists of the following members: A. E. Miller, chairman; F. H. Crum, J. H. Kelly, J. W. Nichols, J. F. Hastings, D. T. Walden, W. C. Chambers.

M. J. Ennis, of the Peter Cooper Fire insurance company, retires from the brokerage committee, and is succeeded by F. H. Way, of the Williamsburgh City Fire insurance company.

The brokerage committee now consists of the following members: W. D. Sammis, chairman; C. A. Garthwaite, T. A. Ralston, W. M. Morris, C. C. Wayland, A. Lenssen, Jr., F. H. Way.

George C. Howe, of the Niagara Fire insurance company, retires from the executive committee, and is succeeded by Charles E. Wickham, of the City of New York insurance company.

The executive committee now consists of the following members: Charles A. Norris, chairman; Wallace Reid, E. E. Pearce, D. M. Darby, C. G. Smith, C. S. Conklin, Charles E. Wickham.

W. B. Ogden, Jr., of W. B. Ogden & Son, retires from the rate committee, and is succeeded by F. H. Ross, of the agency of F. H. Ross.

The rate committee now consists of the following members: E. F. Schleyer, chairman; Otto Dellevie, H. J. Ferris, James Marshall, H. E. Hess, F. A. Pawley, F. H. Ross.

Recent additions to the organization board for the **New Jersey Fire** insurance company, organizing at Newark, N. J., are as follows: Israel G. Adams, of Charles R. Adams & Co., Atlantic City, who is a director of the Second National Bank, Atlantic City, the Atlantic Safe Deposit and Trust Company, the West Jersey Title and Guaranty Company, the Atlantic City Fire insurance company, and the West Jersey and Seashore Railroad; George W. Jagle, who is president of the J. J. Hockenjos Company, Newark, vice president of the American National Bank, a director in the Ironbound Trust Company and the Franklin Savings Institution, president of the playground commission, city of Newark, and member of the Board of Trade, city of Newark; R. W. Jones, Jr., who is vice president of the National Reserve Bank, New York, and a director in the First National Bank, Jamaica, N. Y., the Mexico City Banking Company, City of Mexico, Mexico, and the United States and Mexican Trust Company, City of Mexico; Robert L. Smith, who is vice president of the Carnegie Trust Company, New York city.

On Thursday of this week President Rittenhouse, of the Provident Savings Life, announced the appointment of **Mr. Frank E. McMullen** as second vice president and superintendent of agents of that society, effective September 1. As president for a term of the National Association of Life Underwriters, and as an active member of important working committees of that body for years, Mr. McMullen has earned a national reputation as a progressive life insurance man. He has for a long time been prominently identified with the forceful and advanced leaders whose successful efforts in fighting wrong practices and in elevating and dignifying the work of field men have attracted wide attention. Although Mr. McMullen is yet a young man, he has had a long experience in the field. Prior to 1902 he was a member of the field force of the Provident Savings. Since that time he has been manager for the western district of New York for the Ætna Life, where he has been very successful, and he now leaves this position to return to the Provident Savings.

Practically all of the leading fire insurance companies have reported their **Chicago premiums** for the year ending June 30, 1910, and nearly all of them show an increase over last year. A comparative statement covering three years of the companies reporting more than $150,000 is as follows:

	1910.	1909.	1908.
Liverpool and London and Globe....	$413,234	$376,979	$356,079
Royal	396,264	345,370	371,958
Home, New York.....	322,168	315,040	291,368
Hartford	290,307	253,585	260,408
Ætna	287,659	288,564	272,274
Fidelity-Phenix	209,746	.....	.....
National, Connecticut.....	191,150	183,889	168,217
Springfield	185,840	181,615	174,271
North British.....	184,954	201,199	185,897
Queen	177,109	191,780	165,350
American, New Jersey.....	174,608	176,679	164,850
Phoenix, Connecticut.....	169,734	158,314	130,153
Northern, England.....	166,088	166,357	156,080
London and Lancashire.....	158,167	142,741	101,456
Germania	156,235	144,030	153,235

Inattention to legislative doings in **Canada** made possible the enactment of a **law** which will do fire insurance companies much harm in cases of losses due to sparks from railroad engines. The paragraph is Chapter 50, recorded 9-10, Edward VII, 1910, and reads as follows:

Provided also that if there is any insurance existing on the property destroyed or damaged the total amount of damages sustained by any claimant in respect of the destruction or damage of such property shall for the purpose of this subsection be reduced by the amount accepted or recovered by or for the benefit of such claimant in respect of such insurance. No action shall lie against the company by reason of anything in any policy of insurance, or by reason of payment of any moneys thereunder.

This law covers throughout Canada, and under its provisions insurance companies have no action against railroad companies for fires caused by their engines. The fact that it had been enacted was not known until a loss of the Diamond Match Company at Toronto was being adjusted. Some move may be made to have the paragraph changed at the next session.

The **Western railroads** in the districts affected by the prolonged drought have been forced to adopt **fire protection methods** of their own. Whenever forest or farm fires have been started by sparks from their engines they have been held financially responsible so far as possible, and their action is to avoid this as well as to conserve the natural resources of the territory from which they are dependent for business. The Northwestern has had fire protection trains on several of its divisions in the drought territory, consisting of a number of water tank cars, each holding 8,000 gallons of water and connected by a 3 inch hose with a 12,000 gallon pump on the first car, run by steam furnished from the locomotive. It also has an equipment of regulation fire hose. This has been very successful in extinguishing fires along the right of way and in protecting railway property.

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In addition to the usual committee reports, the committee on order of business has prepared the following outline of topics for consideration by the **Western Union** at its **annual meeting** at Frontenac, Thousand Islands, September 14 and 15:

Reduction in Expenses—G. H. Lermit, chairman.
Growing Evil of Lloyds' Competition—E. G. Richards, chairman.
Sprinklered Business—Law Brothers, chairmen.
Use and Occupancy Insurance—W. J. Littlejohn, chairman.
Shall Tornadoes Rules and Rates Under Rule 89 Be Extended?—Law Brothers, chairmen.
Commissions on Automobile Business—F. C. Buswell, chairmen.
Minnesota Clear Space Clause—W. N. Johnson, chairman.
Objectionable Mortgage Clauses; How Can They Be Remedied?—J. Montgomery Hare, chairman.

A committee headed by Milton Dargan will arrange for the next meeting, and the nomination committee is made up of the active ex-presidents of the organization.

An interesting piece of news is the statement of A. P. Fuquay, a local agent at Alexander City, Ala., who is also a member of the Legislature, who informs the *Insurance Field* that it is his purpose **to introduce a State rating measure in the Alabama Legislature.** He says that it will be along original lines, and not modeled on the Kansas, Texas and Louisiana statutes. Mr. Fuquay says: "The basis of rates as a safe and sound underwriting principle is to be founded upon the tabulated average of fire experience to premiums received for the preceding ten years, and allowing each class of property in sured to pay its individual rate upon its own experience." In addition to the rating bill, Mr. Fuquay intends to offer another bill designed to reduce the fire waste. This measure, according to Mr. Fuquay, "will be in the nature of a building construction code."

Every tenth person in Great Britain and Ireland, says the London *Insurance Record,* **dies from consumption.** "Sixty thousand die of consumption every year, and 30,000 of other forms of tuberculosis. Every one of these lives is sacrificed to an infectious, preventable disease, and the total yearly loss to the country from this source is estimated at not less than £8,000,000. In order to carry on a national campaign, and rouse the public mind to the fact that the complaint might be abolished in one generation, the special appeal committee of the National Association for the Prevention of Consumption, of which Lord Derby is chairman, and the Duke of Devonshire and Mr. Astor are treasurers, invites subscriptions of any amount, from a penny upward, which should be sent to the Hon. Treasurers' Special Appeal Committee, 20 Hanover square, W."

The **Illinois Life** is wisely devoting a great deal of attention to its home State, realizing that it can have no better recommendation abroad than to show that it stands well in the State from which it takes its name and where it should be best known. It has recently issued a tabulation of its progress in the various States in which it operates during the past ten years. This shows that in 1900 it ranked thirtieth in Illinois in insurance issued and nineteenth in insurance in force, while in 1909 in stood eighth in insurance issued, with a much larger number of companies, and fourteenth in insurance in force. The company's best showing is in Kansas, where it stands fifth in insurance issued and fourth in business in force, largely due to its reinsurance of the Kansas Mutual Life several years ago.

Startling charges are made against Judge Michael Donnelly, former president of the defunct **Ohio German Fire,** in the answer filed in the Henry County Court of Common Pleas by the trustees of the company. It declares that the company was originally started as the Anchor insurance company with only $38,000 of actual cash invested and that the State Insurance Department was continually deceived from the first day of the company's existence. A long story of fraudulent manipulation of bogus certificates of deposits and borrowing of securities is told in the answer, which has created a sensation. The litigation is to determine the proper ownership of the alleged balances of $102,050.13 shown on the books of the wrecked Citizens State Bank in favor of the Ohio German.

In the case of the **Wisconsin sawmill risk,** whose owner refused to permit the **cancellation** of the policy except after sixty days' notice, under the "act of God" clause of the Wisconsin policy, it develops that the cancellation was not requested by the company because of the forest fire hazard, but after inspection by its special agent and for other reasons. The provision of the policy preventing cancellation, the company thereupon served sixty days' notice of cancellation, with the provision that if in the meantime the increase in hazard created by the "act of God" should be eliminated there should be a return to the former conditions, and the five days' notice of cancellation should be available as in ordinary cases.

The grand council of the **Sons and Daughters of St. Luke** had a stormy meeting at Richmond recently, which ended in the order agreeing to divide up the membership and finances. The faction which stays is headed by Daughter Belle Christian, while the withdrawing faction follows the leadership of Son J. Thomas Hewin, an attorney, who is now organizing the Independent Order of the Sons and Daughters of Samuel, to which he says sixty-five lodges of the former children of St. Luke will come for protection. Insurance Commissioner Button of Virginia is holding up the application for a license until the proper charter has been secured. The fraternalists at loggerheads are negroes.

The articles on special hazards which have been appearing in the Monthly Fire Insurance Supplement of THE WEEKLY UNDERWRITER during the past year have been issued in book form for greater convenience in reference, making a book of eighty pages, neatly bound, and known as **"Live Articles on Special Hazards."** Readers of THE WEEKLY UNDERWRITER who have been following these articles from the beginning will appreciate having the articles in pocket form, as they contain a vast fund of useful knowledge for inspectors, brokers, local and special agents. They sell in quantity at the rate of $35 per hundred. Single copies, postpaid, 54 cents.

As has been stated in this paper, the insurance companies are not liable under the new corporation **tax laws in Oklahoma.** The exact wording of the section exempting the insurance companies is as follows:

Sec. 1. No corporation heretofore or hereatfer incorporating under the laws of this State, or of any other State, shall do, or attempt to do, business in this State without a State license therefor; provided, however, that the provisions of this act shall not apply to railroad companies, car companies, electric railroad companies, telephone and telegraph companies, heat, light and power companies, insurance companies, banking or trust companies, building and loan associations, or to any company or organization not organized for profit.

The National Fire Protection Association is issuing in neat pamphlet form a paper on **"Factories and Their Fire Protection"** by Franklin H. Wentworth, which is especially valuable to architects and builders by reason of its suggestions as to how such buildings should be planned and built, accompanied by photographic reproductions of the results of architectural blunders along this line. The article is re-

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printed from the *Architectural Record* by special permission and the pamphlet is sold by the National Association from its Boston office, 87 Milk street, at 5 cents per copy.

The **Fire Association of Philadelphia** has transferred several of its field men in the Western department. L. D. Griffin gives up Iowa and Missouri to go to Denver as State agent for Colorado, Wyoming and Utah, and is succeeded by C. D. McKenzie, who has been special agent for the Northwestern National. E. W. Degrof exchanges Nebraska and Kansas for Kansas and Missouri, transferring his headquarters from Omaha to Kansas City. Percy B. Churchill, who had the mountain field, goes to Helena and covers Montana and Idaho.

A **new** American fire **reinsurance company** is to be organibed by Mund & Fester, of Hamburg, Germany, who in a letter to European companies set forth the need of a new American company in strong terms. The firm plans to interest only insurance companies in the stock, which will eliminate organization expenses, and suggests Fester, Douglas & Folsom, of New York, as general managers. The deposit of $200,000 will be made with the New York department.

Since the report of the New York Insurance Department that the **Dutchess Fire** misrepresented its assets at the time of the San Francisco conflagration and could have paid considerable more, a policyholders' organization at San Francisco is endeavoring to persuade the fire insurance companies which settled their reinsurance claims on the Dutchess at 40 per cent. to assign their interests on a commission basis, with the object of beginning suit to recover the difference.

In concluding a statement of his views on "How Fire Insurance Companies Should **Reduce Expenses,**" in the *Journal of Commerce*, Mr. Frank Lock says:

> To sum up, I see no prospect of a material reduction in the cost of doing business except by methods of concentration and co-operation which are not at all likely to be brought about. Reform waits upon change in public sentiment, which shall repose a certain amount of confidence in those who serve them through fire insurance companies, and this, I imagine, is likely to be quite a slow process to bring about.

One of the speakers at the annual convention of the **International Association of Fire Engineers** at Syracuse was William H. Merrill, manager of the Underwriters' Laboratories of Chicago. His address was devoted largely to the question of fire hose, as of prime importance to the firemen, and gave the results of recent tests of public fire department hose made as a result of action at the annual convention of the National Fire Protection Association.

A new English insurance promotion is the **Royal London Auxiliary Assurance Company, Limited,** which proposes to issue 450,000 shares of £1 each and 100,000 shares of 10 shillings each. Life and general insurance will be written, with the exception of workmen's compensation and employers' liability. It will adopt agreements with the Royal London Mutual Insurance Society, Limited, of London.

The **Lumberman National Casualty and Life** of Portland, Ore., has filed articles of incorporation. It is to have $500,000 capital and write life, fire, marine, casualty, plate glass, burglary, accident and health, employers' liability, workmen's compensation, fidelity and guaranty, drivers' and motors' and old age pension insurance. The incorporators are R. L. Durham, H. Beckwith and E. E. Morges.

A proposition to change the name of the **Midland insurance company** of Birmingham, England, to the Midland and Textile insurance company will be voted on on September 8. At the same time a proposed increase of capital from $250,000 to $500,000 will be decided. The plan is to in future write employers' liability and workmen's compensation policies. The head office will be moved to London.

There is war between the insurance commissioner of Utah and the firm of Harlow, Hewitt & Co., **inter-insurers** of California, whom the commissioner warned not to transact business in Utah. The firm is advertising among Utah business men, and the commissioner warns the public that any person buying one of these policies is liable to have it declared void and to be prosecuted.

The **South Carolina** Insurance Department has notified insurers that no adjuster for an unlicensed insurance company will be permitted to adjust losses in that State, nor will any other adjuster be permitted to work for unauthorized companies. The letter suggests that persons holding policies of unauthorized companies should seek to have such companies ask admission to the State.

The **Continental** will make its **Canadian** deposit of $50,000 in a few days and be ready for **business** there through an agent in Montreal, who, though not known as a Canadian manager, will have a power of attorney. George R. Williams, of St. Johns, will be the Newfoundland agent of the Continental, and John McCormack, of the same place, will handle the Fidelity-Phenix.

If the Louisiana Supreme Court holds that the **Southern Fire** is liable for losses incurred after the receivership its creditors will profit, as that will mean in effect that cancellations must be at short term rates, while if the decision of the lower court is reversed cancellations will be pro rata, which will make a greater difference in the assets than the payment of the outlying losses.

A charter has been granted in Pennsylvania for the new **Independence insurance company of Philadelphia.** The company will do a general fire, marine and inland insurance business. The capital is to be $200,000, and the officers are: President, Henry I. Brown; vice president, Everett U. Crosby; treasurer, Theodore E. Brown; secretary, Edward B. Creighton.

The **Vulcan Fire of Oakland, Cal.**, has been incorporated, to have a combined capital and surplus of $1,000,000. Its projectors viewed the increasing volume of fire premiums on the coast from the standpoint that too small a percentage of them were going to coast companies. Representative professional and business men will be put on the board of directors.

Owing to his advanced age J. S. Clark has **resigned as president** of the Anchor Fire of Des Moines, and is succeeded by L. E. Ellis, formerly secretary of the company. Vice President G. A. Holland is the new secretary, and S. G. Moore, who has been company adjuster, is now vice president. Messrs. Ellis and Holland now have control of the stock.

The **Balkan National of Sona, Bulgaria,** is entering the United States for reinsurance lines. It will deposit with the Connecticut department, and also make a special deposit in Ohio. M. Momtchilow, general agent, has been in Amer-

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ica making the arrangements, and has appointed William C. Scheide & Co. general agents for the United States.

The 1910 edition of the *Surveyor* **Insurance Directory of New York and New Jersey** is being distributed this week. The book is the standard work in its line, and the 1910 edition may be depended upon as being complete and correct to date. It sells at $2 each in cloth or $3 in leather. Published by A. G. Hall, 56 and 58 Pine street, New York.

Suit has been brought against the New York Life by Mrs. Norah Holck, of Central City, Ia., who claims that her **husband** has been missing seven years, and is therefore **legally dead.** While maintaining the premiums on his policy she has made repeated efforts to find him or secure evidence of his death. Holck disappeared in April, 1902.

Fire insurance companies depending on **registered mail** notifications of cancellations of policies should be careful to request the return of the **receipt cards,** if it is desired to keep them as evidence, as the United States Post Office Department has ruled that they will not be returned except on request.

The **Underwriters General Agency Company,** designed to act as general agents for insurance companies, has been organized in New Orleans by Fred C. Stockdell and others. The capital of $25,000, with $5,000 surplus, is proposed to be subscribed by twenty-five local agents in Louisiana and Mississippi.

In 1909 the **New York Life** insurance company, in 303 working days of eight hours each, paid to its policyholders $5.96 every second, $357.47 every minute, $21,448.11 every hour, $171,584.88 every day, $999,811.80 every week, $4,332,518 every month, $51,990,221.38 from January 1 to December 31.

St. Louis real estate **brokers** who accept insurance commissions **without** having bought a **State license** have been asked by Insurance Superintendent Blake to make application for a license or declare that they are not accepting commissions. Prosecutions will follow continued violations.

The report of the National Board of Engineers on the fire protection system and **fire hazards at Spokane,** Wash., criticises the fire department and water supply, and states that the building construction there in the congested value district is bad and conducive to the conflagration hazard.

The **Hamburg-Bremen** is to move its United States head office today to **more commodious quarters** on the tenth floor of the new Underwriters' Building, at 123 William street. The local agency and the New York metropolitan headquarters will remain at 19 Liberty street.

The **Equitable Life of San Antonio, Tex.,** began writing business September 1. To conform to a ruling of the Texas Department that the authorized capital must be fully paid, it was decided to reduce the capital from $500,000 to $264,000, with a paid in surplus of $88,000.

The affairs of the **United insurance company** of Arizona, now organizing, are being examined by the New York State Insurance Department, with Chief Examiner Charles Hughes in charge. O. L. Van Laningham was at one time prominent in the affairs of this promotion.

The **Maryland State Fire Marshal** has caused the arrest of one Edward Bevan, who is said to have set fire to a large tract of woodland. The present specific charge against him is causing the destruction of a large barn containing 10,000 pounds of tobacco last June.

A serious **conflagration danger** exists **at Jamestown, N. Y.,** according to the report of the National Board engineers, who say the construction is poor, the fire department weak and the water supply inadequate. Numerous improvements are suggested and advised.

The **Mississippi anti-trust cases** against fire companies are now in progress. It is expected that they will continue for a year or more, and that they will be eventually taken to the United States Supreme Court. Penalties aggregating $215,000,000 are involved.

The **Fraternal Mystic Circle** of Philadelphia is being examined by the North Carolina, South Carolina and Virginia departments as a committee from the National Convention of Insurance Superintendents. John F. Roche is in charge of the examination.

The organization of the **Memphis Life Underwriters' Association** has been completed. Bolling Sibley is president and S. B. Love is secretary. The association will apply for the 1912 Convention of the National Association for Memphis.

A convention of **Hartford Life agents** is to be held late in September at the home office, at which all agents who secured their allotted business before the end of August will be guests of the company. It is reported there will be a large attendance.

The sessions of the **Merritt investigating committee,** which is to make inquiry as to corruption among legislators, and also to investigate insurance affairs, were to have begun Monday of this week, but have been postponed until September 7.

The first five months of the current year have developed only thirty-five **incendiary fires in Ohio.** This average of seven per month if kept up throughout the year will establish a new low record for that State in fires of this character.

The **Union Guarantee and Insurance company** of Jackson, Miss., whose charter has just been approved, is the first insurance company to be organized by negroes. Its capital of $50,000 was subscribed by thirty-one incorporators.

The twelfth annual convention of the **Michigan Association of Local Fire Insurance Agents,** held at Port Huron Tuesday, was well attended, and several interesting papers were read. Bay City was selected as the next meeting place.

Arkansas general fire agents hope to have the **ruling against agency rate books** reversed, pointing out that the prohibition of identical rates would mean that each company on a risk must make a different rate for it.

The **Sun Underwriters** is the name of a new underwriting medium, established by the Sun Insurance Office of London for use in Western localities.

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At the recent Democratic primaries in **North Dakota** Milas Lasater, the present incumbent, was defeated for the **nomination for Insurance Commissioner** by Charles S. Whittlesey, who is special agent for the Hanover.

The **Boston Board of Fire Underwriters** on Tuesday elected H. H. Whitney as vice president of the board to succeed the late Gustavus C. Holt. Walter B. Henderson takes Mr. Whitney's place on the board of directors.

Charters for the **Citizens Life of America** of Reading, Pa., and the **Independence Fire of Philadelphia,** each with a capital of $200,000, have been approved by the Pennsylvania Insurance Department.

The **Farmers Fire of York, Pa.,** has appointed Mrs. Annie McConkey to succeed her late husband as secretary and treasurer of the company.

By a recent New York Supreme Court decision the **Equitable Life** is **sustained** in declining to distribute the surplus to which a lapsed policy was entitled until the death of the person originally insured.

The **Freeholders Fire of Topeka, Kan.,** has **reinsured** with the Firemen's of Newark. Manager George A. Bailey will go with the Firemen's as special agent in Kansas and Oklahoma.

The **Swiss National Fire** is making a deposit in Connecticut for the purpose of doing a reinsurance business in this country. E. G. Snow, Jr., will have the American management.

A decision in the **Indiana anti-compact suits** may be expected soon, as Judge Weir, of Indianapolis, has just returned from Europe and will reopen court on September 5.

The **Canadian office of the Royal Exchange** at Montreal, of which Arthur Barry is to have charge as Canadian manager, will be ready for business about October 1.

A **London Lloyds** representative informs the British press that the losses of the concern by the **Brussels Exposition** will be between £200,000 and £250,000.

Three more companies, the National Life of the U. S. A., the Empire Life of Atlanta and the Scranton Life have **joined the American Life Convention.**

The **Rossia** insurance company has advanced Chief Clerks I. Thalheimer and B. N. Carvalho to be United States secretaries.

The **Shawnee Fire of Topeka** is being examined for the Minnesota, North Carolina and Virginia departments by S. H. Wolfe.

The **Munich Reinsurance company** has been admitted to Ohio.

Personal.

AGENCY APPOINTMENTS.

Girard Fire and Marine: J. H. Katzenberger & Son, agents at Baltimore.

Royal Exchange: W. B. Werthen Company, local agents for marine business at Little Rock, Ark.

Springfield Fire and Marine: Paul Spain, agent at Memphis, Tenn.

Mr. Arthur F. Boles, former manager of the army and navy department of the Prudential Life on the Pacific Coast, who retired last year, has returned to the business, and has been appointed superintendent of agents for the Prudential's ordinary department in northern California.

President James F. Stone and Secretary Richard G. Oellers, Jr., of the American Union Fire of Philadelphia, are spending a few days in Chicago, looking over the local field.

Mr. Frank A. McElroy, of Omaha, has resigned as special agent of the Shawnee in Iowa and Nebraska, to go with the Omaha branch of the Western Adjustment Company.

Mr. E. W. Tinsley has resigned from the Indiana Inspection Bureau, to become special agent for the Standard of Hartford in Illinois, Wisconsin and Missouri.

Manager J. J. Guile, of the United States branch of the Sun Insurance Office of London, was recently married to Miss Susan Helen Snook, of Berkeley, Cal.

Mr. F. J. Haight, of Indianapolis, former secretary of the Indiana National Life, has become general manager of the Liberal Life of Anderson, Ind.

Mr. Owen Gallagher, father of Thomas E. Gallagher, Western manager for the Ætna Fire, died August 29, aged ninety-four years.

President Paul Morton, of the Equitable, returned from Europe Thursday on the Mauretania.

Mr. A. R. Hosford, of the Royal, will sail for Europe Wednesday on the Mauretania.

Mr. Harold W. Wheatley has resigned as San Francisco manager for the Maryland Casualty.

Casualty and Surety Insurance.

The committee of the International Association of Accident Underwriters, of which President Dunham, of the Travelers, is chairman, met at Hartford Wednesday and Thursday of this week to formulate a **report on** what action should be taken with regard to the **"frills"** on accident insurance policies. Briefly stated, the committee decided to recommend a number of changes, including the lengthening of the accumulation period to ten years by increasing the principal sum 5 per cent. each year instead of 10 per cent. as now. It was felt inadvisable to eliminate the accumulation feature entirely, expensive as it may be. Under the new plan it will be less of a burden on the companies. The optional elective feature of settlements for accident benefits is to be eliminated, as are also the sunstroke clause and the hospital clause from accident policies. Under health policies the payment of half benefits is recommended for illness in hospitals. The double benefit feature is to be applied only to accidents of travel, burning buildings and elevators, eliminating boiler explosions, falling walls, etc. A number of other smaller features, such as return premium benefits, payment for transportation of corpses, and numerous provisions found in policies of smaller companies are to be eliminated. The quarantine clause in health policies is to be eliminated, and no claim for less than seven days' disability will be paid. Under the present forms the expense of adjusting the claims for one day, one-half day and like brief illnesses was very great. The report of the committee must be acted upon by the International Association, and if approved the new policies will be ready January 1. Business under the old forms written before that date will hold good as long as the policies are kept in force. All members of the committee were present, including Vice President Faxon, of the Ætna Life; President H. G. B. Alexander, of the Continental Casualty; President Lott, of the United States Casualty, and Secretary Potter, of the Preferred Accident.

Among the **unusual accidents** of the week there were: A woman at Cape Charles, Va., while throwing a stick into the water for her pet dog to chase, was pushed from the pier into twelve feet of water, and was forced to cling to a post several hours before help arrived within hearing.

An Illinois paint factory laborer fell into a tank of asphaltum, and emerged with a coat of black good for several months.

Some Central City, Col., boys who used dynamite to blow a chipmunk out of its hole narrowly escaped instant death from the flying rocks and dirt.

At Lake Hopatcong, N. J., a Sunday boat ride ended in the

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death of a New York city young man, who slipped while landing and struck his neck on the oarlock, breaking his spine.

A boy at Hempstead, L. I., swallowed a cent, which caused an abscess and resulted in his death.

At Midland Beach a young lady died of heart disease brought on by the shock of a scenic railway ride.

A Polish girl at Pittsburg thought bath perfume tablets should be eaten, and after swallowing two of them she nearly died.

A New Yorker at Bangor, Me., had a battle with dogfish while swimming off the coast, and was saved by a companion just in time.

A Jersey City policeman saved the driver of an ice wagon from death under a ton of ice when the wagon overturned as a result of driving too near the curb.

While racing to a fire in Jersey City one of the fire horses cast a shoe, which flew through the air and struck a woman who was leaning out of a second story window watching the apparatus. She procured the shoe, and will sue the city.

A Montclair, N. J., fruit dealer named Caruso went to the barn to hang up a harness for his helper, who had just stepped on a rusty nail, when the horse stepped on his foot and inflicted a painful injury. On returning to his house he found his nephew, who had just had his knee-cap broken while playing baseball.

A New York man had his left eye torn from its socket by the point of an umbrella in the hands of a woman who claimed he had insulted her.

A druggist at Richmond, Va., put up carbolic acid instead of castor oil. The child lived twenty-four hours.

Mrs. John Burch, of Sedan, Kan., stood for eight hours in five feet of water in a cistern, holding aloft their three year old child, which had fallen in the cistern, until her husband returned and heard her cries for assistance. She is dangerously ill.

The Wainwright-Phillips **workmen's compensation acts** went into force on Thursday, September 1. The principal features of the new measures are that they alter the customary defense of employers in damage suits, provide for mandatory workmen's compensation in eight specified "dangerous occupations," and provide for an alternative or permissive compensation plan to be entered into by employers and workmen who do not come under the compulsory indemnity act. The new manual of rates of the employers' liability insurance companies also went into effect on Thursday. Commenting on the optional or permissive compensation provision of the law, President Lott, of the United States Casualty Company, says:

The alternative or permissive compensation plan, so called, provides that an employer may enter into agreement with his employees to pay them, in cases of accidental injuries, a stated compensation named in the law, in lieu of damage to be determined by a court and jury. Such agreement must be in writing and must be made individually between the employer and each employee, and must be certified to before a notary public, and a copy must be served on the Commissioner of Labor. As their plan is accompanied with much cumbersome detail, it is not expected that employers or employees will take advantage of it.

The *Insurance Record*, of London, relates the following narrative to the credit of the **Ocean Accident and Guarantee Corporation:**

The fire which broke out early in the morning of the 26th of July at the Kelvin Hotel, Belfast, cost the lives of six victims. Among them was the Rev. W. J. McCaughan, pastor of the May Street Presbyterian Church, who was staying at the hotel. The unfortunate gentleman, finding all other egress stopped by the flames, adopted the desperate course of jumping from a window, only to receive such terrible injuries from the fall as to cause his death four days later. He had a year or two ago taken out a "leader" policy with the Ocean Accident and Guarantee Corporation, Limited, for £1,000, since increased by bonus to £1,100. The directors at once admitted liability, but a point of much interest attaches to this case, inasmuch as the "leader" policy gives double compensation in the event of death or disablement arising from injuries received in a burning building. It is satisfactory to learn that the directors had no difficulty in recognizing that this sad case was covered by the spirit, if not strictly by the letter, of the contract, and that they have ordered payment of the full doubled amount, viz., £2,200 to the representatives. This is a striking example of liberality on the part of what is frequently termed a "soulless corporation."

The **United Protective Agency Corporation** has been organized in Chicago for the benefit of automobilists, with Tom Murray, a Chicago clothier well known for his unique advertisements, as president, and Col. W. E. Fuller as general agent. It proposes to cover in one contract all the various forms of legal protection which automobilists need, including a bail bond issued by the National Surety Company, the provision of an attorney to defend any suits, detective services to recover stolen cars and property, and protection against grafting police magistrates or country officers who arrest automobilists in order to be bought off or impose unjustifiable fines. The company is now operating in Illinois, Indiana, Wisconsin and Michigan, the premium covering the service in those States being $9 a year. It proposes to transfer its headquarters to New York about the first of the year and then establish branch offices in the various States.

The **insuring of cotton bills of lading** is to be entrusted by the foreign bankers to London Lloyds, who, it is said, will write the insurance at a nominal rate, avoiding the expenditure for inspections which the American surety companies proposed to make. Thus is verified the prediction of one of the foremost surety men engaged in the investigation of the cotton situation, printed in this paper some weeks ago, that in the last analysis the surety companies would not be much in the foreground. It may be that the sytem of validation certificates which has been started by the railroad companies will be found sufficient to meet the needs of the foreign bankers and that Lloyds will not be required after all.

The hearings held in Chicago by the **Illinois** State commission appointed to consider **employers' liability and workmen's compensation legislation** developed the fact that material modifications must be made in the tentative bill before employers and organized labor will unite in support of the measure. The building contractors and the building trades workmen were given a special hearing Friday. Employers regard the plan as too drastic in its provisions, while organized labor holds that it does not go far enough, both as to liability and compensation. It is evident that a number of the labor leaders are opposed to the bill chiefly because they think the employers want it.

According to the *Journal of Commerce and Commercial Bulletin* "the directors of the Empire State Surety Company have made a **proposition** to the stockholders of the **People's Surety Company** that the two corporations be amalgamated on the basis of an exchange of the stock of the People's Surety for that of the Empire State Surety. Should this plan be acceptable to the People's Surety stockholders the result of the amalgamation would be to give the Empire State Surety a capital of $750,000 and a surplus of about $300,000 to $350,000, with a bond writing capacity of well over $100,000."

The **Pacific Coast Automobile Underwriters' Association** has discontinued the requirement that the building rate be charged on automobile risks when it exceeds the automobile rate of 2½ per cent. Instead it has adopted a flat rate of 2½ per cent. on all models for the current calendar year and the previous year and 3 per cent. on older models. New cars costing $2,000 and over must be insured for not less than 80

(*Continued on page 175.*)

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The Weekly Underwriter:

MONTHLY FIRE INSURANCE SUPPLEMENT.

NEW YORK, SEPTEMBER 3, 1910.

THE TOBACCO INDUSTRY.

An Exposition of the Processes of Manufacturing Smoking and Chewing Tobacco—The Fire Hazards of Tobacco.

By I. G. Hoagland, with the South Eastern Underwriters' Association, Atlanta, Ga.
(Continued from the August Supplement.)

TOBACCO MANUFACTURE.

The several branches of tobacco manufacture are variously classified. In this paper it will suffice to use the following classification:

Smoking Tobacco:
- Cigars—Cheroots—Cigarettes
- Pipe Smoking (Fine Cut and Granulated).

Chewing Tobacco:
- Plug—Cut Plug—Fine Cut.

Snuff.

SMOKING TOBACCOS.

Cigar Making.—Since 1880 cigar manufacture has become commercially organized and large factories established. The advent of machinery has greatly changed the industry. Today, all cheap cigars, cheroots, etc., are machine made. Cigars upward of five cents in value are hand made.

Hand Made Cigars are made in two ways: strictly by hand and by forming filler in a mould. Finer grades are made and formed by hand and need no description here. *"Formed" cigars* are given shape by bunching "fillers," wrapping with "binders" and pressing with fingers in cigar shaped wooden moulds. The moulds when filled are subjected to pressure in a hydraulic press for several hours, which gives permanent "set" to the shape. Afterwards the "bunches" are trimmed and wrapped, graded and packed.

Machine Made Cigars.—The first operation is" bunch" making, i. e., long "filler strips" are laid on "binder strips," which are spread on the rolling belt of a "bunch" machine. This belt rolls the "filler" and "binder" into shape. After rolling, the bound "filler" is moulded and moulds pressed as previously described. The bunches are trimmed and wrappers applied in the "suction roller table." This machine cuts the wrapper leaf, rolls it around the "bunch," pastes it, and trims the ends, all without the aid of the operative, who merely feeds the machine with wrappers and fillers.

Various brands, shapes, sizes, colors and qualities are described in Spanish terminology. The brands are named after persons of note generally: shapes as Conchas, Regalias, etc., sizes as Perfectos, Finas, Speciales, etc. Shapes and sizes are combined generally, such as Conchas Finas, etc. Colors are described: Claro (light), Colorado (dark), Maduro (very dark); intermediate colors by combinations of these names.

Cigarette Making.—Cigarette more than cigar manufacture has been revolutionized by machinery. Cigarette machines are largely of American invention, and represent the highest attainments in mechanical skill and ingenuity.

Over 90 per cent. of cigarettes made annually are manufactured in New York, Richmond, Durham and Rochester, all of which are machine made.

Cigarette tobacco is especially mild, and that used in the best grades is several years old. The bright yellow variety of North Carolina and Virginia is most largely used. The process of manufacture is about as follows: Leaf received in hogsheads, opened, sometimes "sweated," then "cased" or flavored as previously described. Glycerine is used in "casing" same, which gives the tobacco "order" indefinitely. Next the leaf is sliced into "long" or "fine cut" in suitable machines which is dried and cooled in machines generally of the Adt type (see Drying Machines). This serves to dry as well as loosen up the shredded leaf by tumbling it and making it light and fluffy. After "bulking" for a few days the stock is ready for the cigarette machine.

There are several makes of cigarette machines, Bonsack, Elliot, Universal and others. The Universal turns out ten a second. The fastest machines operate on the principle of enveloping a pencil of tobacco in a ribbon of paper.

PIPE TOBACCO.

Pipe Smoking Tobaccos are fine cut or shredded, granulated or flake and cut plug. "Fine cut" is the same as for cigarettes, and cut plug will be described under Chewing Tobaccos.

Granulated Pipe Smoking is made as follows: Leaf received in hogsheads; hogsheads opened, and the compressed cylinders of tobacco therein are broken up and "pitchforked" on a belt which runs to a "breaker." The "breaker" is a revolving drum with coarse teeth, which serve to break up the bundles of leaf. Then the tobacco is shaken through a series of oscillating sieves of coarse mesh which shake out dust, dirt and foreign substances. After cleaning the cheap grades are "cased" in a "casing drum." The flavoring sauce is generally composed of licorice, rum, synthetic sugar, etc. The heavier ingredients are cooked to a syrup in steam jacketed kettles. Passing in, the tobacco, flavored or not, according to grade, is dried, cooled and "ordered" in a drying machine, and is then ready for granulation.

There are various arrangements of granulating machines. In general they consist of a granulating or cutting device, a series of sieves which separate granulated tobacco from stems, dust and fibres and in some machines a blower fan is added to assist in removing objectionable matter. A granulating outfit observed in a large factory consisted of a number of machines arranged in series and all enclosed by wooded partitions to minimize the escape of dust. The first machine had a coarse tooth cylinder which broke up the tobacco, and, as it progressed through the train of machines, the cutters being graduated in fineness, it became reduced to the size desired. After passing each cutter the tobacco was shaken in a series of sieves which allowed the uncut leaf to pass on to the next cutter.

From each of the machines the flaked tobacco of smoking size is collected and conveyed to the "bin room." Dust from the granulated process is collected, cleaned in a bolting reel, sacked and shipped away. Stems are flattened out in a rolling machine after being dried, and then granulated.

Better grades of smoking tobacco are flavored after granulation. The flake is spread out on the floor and the sauce sprinkled on it from a watering can. After this "casing" the stock is stored in bins to age.

CHEWING TOBACCO.

Chewing Tobacco is largely consumed in the United States; over five pounds per mouth per annum. For chewing and spitting skill the American is unexcelled. This dexterity in expectoration was recorded by Dickens with awesome abomination.

Plug Tobacco is composed of "filler" leaves and an outside wrapper. It is manufactured about as follows: Tobacco in hogsheads received from warehouse. In some factories leaf is received direct from the sales warehouses and handled as has been described in connection with prizeries, and then stored in the warehouse to age. Hogsheads are stripped, the mass of leaf broken up and "ordered" in the usual "ordering" drum. In some factories the leaf is first sweated in hogsheads instead of the "drum ordering." The "hands" of leaf are untied, assorted, graded and stemmed. The "strips" are dipped in the flavoring sauce which has been cooked in steam jacketed kettles, and passed through a wringer which squeezes out excess of sauce to the drying machine. The "dipped filler" after being dried, cooled and "ordered" in the machine is again flavored in a "casing" machine and "bulked" to age for several days. Wrapper "strips" are treated quite the same as "filler strips."

After "bulking," "strips," if intended for chewing plug, are taken to the lump room, where they are weighed, formed into "lumps" or plugs in "lump forming" machines. This shapes the

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plug for wrapping, which is done by hand. The wrapped "lumps" are dried at a moderate temperature to eliminate excess moisture. The plugs are first pressed in moulds or "shapes" to get desired shape in the "mold press," and the final pressing is done in the "finisher or pat press," which settles the leaf, making the mass solid and giving the plug a high finish. Next, the finished plugs are packed in "gums or "lump retainers," which keep them in shape while fermenting and gives permanent set. After fermenting, the plugs are dried at a moderate temperature, tagged, packed into boxes in a "boxing press" and shipped.

Cut Plug or Plug Cut is prepared same as foregoing, except after "bulking" the leaf is pressed into slabs and the slabs sliced into widths to fit plug cutting machine, or packed into shapes and formed into large, coarse plugs. After cutting, the sliced leaf is dried, packed and shipped.

Twist Leaf is made by rolling well moistened leaves lengthwise on a table and feeding it to a spinning machine, which spins it into a tight roll.

SNUFF.

Snuff Manufacture is more or less complicated and elaborate, according to the character of the finished product. There are two general classes: dry and moist. Four well known kinds are: Scotch or "eating" snuff, Maccaboy or "inhaling" snuff, "sweet" snuff and "salting" snuff.

Method of manufacture is about as follows: "Lugs" or lower leaves of the tobacco plant come to the factory in hogsheads. After aging in the factory warehouse for several years, the leaf is coarsely cut up, "ordered" and "repriged" back in hogsheads to ferment or "sweat." This is done several times before it is ready for dessication and pulverizing. Then it is toasted in a furnace dryer or toaster, which consists of an iron cylinder revolving in a breeching of brick, in which are heating fires, or shaken in a series of trays in a room heated by steam to a high temperature.

The toasted flake is ground or pulverized in machines termed "mulls" and the snuff cleaned in a bolting reel and packed.

HAZARDS AND OTHER CONSIDERATIONS ATTENDING TOBACCO MANUFACTURE.

In *cigar factories* there are no special hazards. The use of saltpetre to improve burning qualities and rum for flavoring would necessitate the storage of such materials. Drying operations are unusual.

Cigarette Factories.—The process of drying and nature and amount of flavoring materials are principal items of interest. Considerable glycerine is used.

Pipe Smoking Tobacco Factories.—The operations of drying, granulating and flavoring are of chief importance. With regard to drying reference should be had to chapter on "Drying Apparatus." Granulating tobacco is more apparently hazardous than it really is, considering that there are no fires of record chargeable to this process. Much dust arises from granulating machines, which in suspension in air in proper proportion would make an explosive combination which could be ignited by a spark struck by a nail or pebble passing through a cutter. Special machinery, such as that of the Adt make, is equipped with magneto and blower fans, which prevent nails and other foreign matter from entering machine. In factories where trains of cutters, graduated coarse to fine, are used no effort is made to arrest such material before the stock enters the coarse cutters except what is shaken out in the sieve after the "breaker" opens the leaf. After the coarse cutters, between each of the successive machines are blower fans and shakers which clean the flake before it reaches the fine granulators. The process is always very dusty, but the dust being of value, is collected and shipped to snuff factories. The drying and flattening of stems is a minor item of interest.

Flavoring sources, consisting largely of rum, tonca bean, licorice, etc., means that large quantities of spirits are kept in stock. In August, 1907, in a North Carolina tobacco factory, a fire was caused in the "rum locker" by some one stealing rum. "Rum lockers" are generally in the main building and often contain a large quantity of rum and alcohol. "Rum lockers" would be better located outside building and a day's supply only brought in. Licorice, these days, is cooked in steam jacketed kettles. There used to be a time when it was not, and—well, the losses were settled in the usual way. Licorice kettles should be elevated above the floor, and the floor, underneath, sheathed with metal; this to conserve cleanliness.

Plug Factories.—Processes of especial interest are flavoring, drying and "bulking," all previously described.

Snuff Factories.—Principal processes are char-drying or toasting, grinding and cleaning. The nature and safeguarding of the drying hazard should be carefully observed. Dry snuff is milled to an impalpable powder, while moist snuff is ground with moisture in it to a "flour." Grinding dry snuff is, of course, more hazardous, as it entails previous toasting, and during milling and cleaning there is much dust. The snuff has to be elevated from "mulls" to bolting reels, necessitating elevating apparatus—belt and bucket type. The hazard in them is similar to that in flour mills, and fires have occurred in snuff factory elevators. Strut boards should be inclined and the legs of metal instead of wood. The dust hazard has not caused any fires of record. Various flavorings and perfumes are added to the snuff, and also such salts as carbonates, chlorides and sulphates of potassium and sodium, and carbonate of ammonia, none of which materially increase the hazard.

Miscellaneous Hazards.—In some large manufactories many of the outside operations contributing to the industry are gathered under one roof. Tin and wooden boxes are made, also cloth and paper packages and wooden cases, in which the finished product is shipped. Also printing and lithographing are done. Each of these operations add their own peculiar hazards, with which the reader is already familiar.

In tobacco extract factories the chief hazard is in drying and grinding tobacco stems. This is rather more hazardous than with the leaf, because of the potassium nitrate in the stems.

Fumigation Against Insects.—A hazard of considerable importance has developed in the tobacco industry in recent years. This is in the use of carbon bisulphide in exterminating insects in tobacco. The bisulphide is contained in shallow pans set about on the floor of a factory and allowed to evaporate. The hazard of this operation is already too well known to warrant discussion here. As yet, little use of this method has been made, but as its virtues have been widely advertised by the Department of Agriculture it may be used in the future. If it is, let us be hopeful for the best.

General Care and Cleanliness.—"Good housekeeping" after all is the most important thing in tobacco factories, as is it anywhere. Numerous references have been made to indifferent care and poor physical condition of these risks, yet there is no good reason why this should be so. However, the industry of today being better organized than in past years and in better hands, these undesirable conditions have largely disappeared, but not altogether. In December, 1907, a small fire occurred in a North Carolina prizery from ignition of refuse in contact with a steam pipe. Fortunately the risk was equipped with automatic sprinklers, otherwise the cause would not have been ascertainable.

MORAL HAZARD.

Fires in tobacco risks, outside of those in dryers, have been more often from common and direct and indirect moral hazards than from special hazards. In a well known insurance paper in the early 80's appeared a wonderfully technical article on tobacco risk hazards. Such was the imagination of the writer of it that any self respecting underwriter would have put tobacco risks on the prohibited list after reading the article. And the play of imagination in connection with tobacco risk hazards has not been confined to that writer either. Direct moral hazards, to which reference has been made, is resort to arson following trade depression or other business misfortune, the insurance company being an ever ready, though unwilling, buyer. Indirect moral hazard is in an indifference to proper construction, care and cleanliness, and prevention and protection against fire. The tobacco industry has been teeming with conditions of indirect moral hazard.

CAUSES OF FIRES.

Following are some of the causes of fires in tobacco risks aside from dryer fires: Matches, greasy overalls, spontaneous heating of ink on printed matter in piles, ignition of celluloid cigar cases, scrap wood breakers in box department, lightning, electric wiring, defective flues, tobacco dust on boilers, incendiary, exposures, etc.

MISCELLANEOUS CONSIDERATIONS.

A brief sketch of the economic history of the industry is interesting, as it sheds some light on the chaotic conditions of years ago, which some underwriters have good cause to remember.

The genesis of tobacco culture and manufacture, also its progress, was in Virginia. Prior to the Civil War manufactories were distributed throughout all of the producing sections; also in the homes of planters was the leaf manufactured. After the war the country factories disappeared, and the industry in general was in a bad way, due to the after effects of the war, scarcity of labor and a heavy Government tax on manufactured product.

From 1871 to 1885 things began to improve. There was yet no concentration of factories, but the country manufacturers moved to small towns located on railroads.

Two new branches developed during this prosperous period—rehandling or prizing and cigarette manufacture.

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In 1890 there were only ninety-three factories, the small factories having been forced out of business by that time, and from then on was a period of cutthroat competition in marketing goods. These conditions were demoralizing, the consumer was cheated, the price of leaf depressed and manufacturers resorted to doubtful practices. Plainly it was necessary to bring an end to this business war, so in 1890 the American Tobacco Company was formed.

First this company was a confederation of several of the largest cigarette manufacturers, but the scope of the company has been extended through the entire industry. The panic of 1893 further concentrated the industry, as many minor manufacturers were forced to the wall, and the increased Government tax of today will further this concentration, as the matter of ready cash with which to buy revenue stamps, which has to be done before goods are sold, will prove troublesome in stringent financial periods.

Whatever may be said against trust oppression, the fact remains that the industry of today, because of the formation of a certain large corporation, is highly organized with improved factory conditions. This is in sharp contrast with conditions of twenty-five years ago.

Great havoc has been wrought by associations of planters in their fight against associations of manufacturers, especially in the dark export region of western Kentucky and Tennessee. Incendiarism was rife and considerable property was destroyed. The reader no doubt was well informed of these conditions through the daily and periodical press. This strife marks an epoch in the industry, and whether or not the planter can dictate the market price is yet to be determined. Associations of planters in the dark export and burley districts are well organized and control prizeries and warehouses, which allow of better marketing of the leaf and advancing money thereon.

Recently in the Florida and south Georgia districts the dealers have effected a combination of interests, which is hoped will steady conditions locally. The cigar industry has not been overly prosperous in the last few years, and nothing definitely hopeful is promised.

SUSCEPTIBILITY OF TOBACCO.

The old timeworn complaint of the man in hard luck was: "He got his going and coming." In a tobacco loss the company gets it "going and coming," and in addition to that, "while waiting." In a fire there is *apt* to be smoke, and also water, let us hope. So you have it three ways. However, there is hope for salvage in some tobaccos. With Sumatra leaf there is small hope. Havana "filler" should have some value, as it is tougher than Sumatra and can be redried and used in cheap cigars together with domestic leaf, even if smoked and wet. Both domestic wrapper, binder and filler leaves can be used if smoke and water damaged. Hogshead leaf is not apt to be seriously damaged by smoke and water, and can be worked up with plug tobacco or sent abroad, where the smoke flavor is appreciated. Even at worst the damaged leaf has some value as fertilizer.

FIRE PROTECTION.

Only since the tobacco industry has become highly organized and concentrated has there been any improvement in fire prevention and protection. Even today many risks where the values would warrant an investment in improved fire protection are without it. Automatic sprinklers are of untold value and outside hydrant protection should always be available. Other features of fire protection should be considered according to individual risk conditions.

(*To be continued in a subsequent issue.*)

General Classification of Fire Losses in the United States, Amounting to $5,000 and Over, Reported in August.

Number of Fires.	Classification.	Reported Loss.
13	Sawmills	$1,316,000
14	Storage warehouses	1,219,000
8	Lumber yards	1,160,000
8	Railway properties	755,000
56	Dwellings	604,500
7	Grain elevators	505,000
8	Mine buildings	460,500
15	Hotels	450,000
38	Farm barns	342,500
8	Flouring mills	330,000
4	Potteries	300,000
5	Garages	280,000
20	Stables	240,300
3	Furniture factories	185,000
3	Oil refineries	182,000
2	Woolen mills	170,000
1	Oil tank	150,000
2	Tanneries	110,000
1	Coke manufactory	100,000
1	Electric light and power plant	100,000
1	Match factory	100,000
2	Laundries	95,000
5	Department stores	94,000
6	Cotton mills	93,500
4	Iron and steel foundries	90,000
7	General stores	88,000
3	Ice houses	88,000
2	Packing plants	84,000
2	Cold storage warehouses	80,000
4	Machine shops	73,000
1	Tobacco warehouse	62,000
1	Tobacco factory	60,000
1	Asbestos factory	50,000
2	Produce warehouses	50,000
1	Cotton oil mill	45,000
6	Apartment houses and tenements	42,100
2	Churches	42,000
3	Carriage factories	40,000
2	Shirt factories	37,000
1	Oil warehouse	35,000
2	Public buildings	35,000
2	School and college buildings	34,000
1	Dye works	30,000
2	Asylums and hospitals	27,000
1	Amusement resort	25,000
1	Glove factory	25,000
2	Printing offices	25,000
2	Cooperage works	20,000
1	Smelter	20,000
1	Paint and varnish factory	18,000
1	Asphalt factory	15,000
3	Boat houses	15,000
1	Harvesting machinery factory	15,000
1	Glass works	12,000
1	Brewery	8,000
1	Grist mill	6,500
1	Paper mill	5,000
1	Powder factory	5,000
1	Stockyard	5,000
49	Spreading fires, omnibus loss	2,401,500
38	Miscellaneous mercantile risks	1,182,500
9	Miscellaneous manufacturing risks	833,000
	Total	$15,078,900
	Add 15 per cent. for small and unreported fires	2,261,835
	Total	$17,340,735

Total number of fires reported, 395.

Hazard of Unslaked Lime.

During a recent storm along the Atlantic seaboard unusually high tides were experienced as a result of the continued gale from the northeast, piling the waves up on land. Reports from Salem and Portsmouth, Mass., tell of two fires occasioned by the high tide coming into contact with unslaked lime, the chemical action resulting therefrom kindling a fire. In Salem the fire started in a lime shed in a lumber yard, and caused damage of $10,000. In Portsmouth another lumber yard was partially destroyed from the same cause, with a loss of $5,000.

FIRE INSURANCE IN THE COURTS.

A Concise and Convenient Digest of the Law of Fire Insurance as It Is Being Developed and Interpreted by the Various Courts Throughout the United States.

Reported for the Weekly Underwriter by W. Woodhull Hay, of the New York Bar.

1. Alterations on Premises—When Insurer Is Not Estopped To Set Up Lack of Written Consent to Make Same.

A policy contained a clause providing that no alterations should be made on the premises without the written consent of the insurer indorsed thereon. The insured sent the policy to the agent of the company to be rewritten. Before it was returned, the insured notified the agent that he intended building an extension on the house and at the end of his letter wrote, "if this notice is not satisfactory, kindly let me hear from you at once." The company did not reply. The court held that the insurer was not estopped to put up the defense of breach of the above condition, as it was the duty of the insured to see that the condition was complied with.

Judgment against insured below, here affirmed by the Supreme Judicial Court of Massachusetts.

ATWOOD VS. CALEDONIAN-AMERICAN INSURANCE COMPANY, 92 Northeastern, 32. (July 12, 1910.)

1. Agency—Meaning of "Yearly Profits" in Calculating Commissions.

A contract of agency contained no express provision regarding termination. The compensation was 10 per cent. commission, predicated on the yearly profits of the agency, to be calculated by crediting the agent with all premiums written, less cancellations, reinsurance and returns of every nature, and by debiting

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him with incidental agency charges, etc. The agency began on September 3, 1903, and on February 15, 1907, the company telegraphed its termination to the agency. A question arose as to whether under the contract the profits from September 3, 1906, to February 15, 1908, should be calculated in fixing the commission. The court held that the words "predicated on the yearly profits" did not indicate an intention that no such profits should be ascertained in the event of a termination between the annual dates fixed by the contract, but rather described a term of calculation to be used also for any fraction of a year remaining unadjusted when the agency ceased.

2. Same—Meaning of "Reinsurance."

Regarding the use of this word in the above contract the court held that if there was any doubt as to its meaning, evidence was admissible to show that the word as there used had a technical meaning of agency reinsurance and excluded home office reinsurance.

Judgment for the insurer by the Supreme Judicial Court of Massachusetts.

FEDERAL INSURANCE COMPANY vs. GILMOUR.
92 Northeastern, 36. (July 12, 1910.)

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1. Agent—What Knowledge By Same of Mortgage Does Not Waive Clause Against Mortgage.

A policy contained a clause providing that it should be void "if the subject of insurance, * * now is or shall hereafter be incumbered by mortgage or otherwise," unless an agreement allowing such was indorsed thereon. The policy also provided that "no agent * * shall have power to waive or alter any of the provisions * * of this policy, except such as made subject to an agreement indorsed hereon or added hereto, and as to such provisions or conditions, such waiver or alteration, if any, shall only be valid when actually indorsed hereon or added hereto by such agent * * nor shall any permission or privilege affecting this insurance exist or be claimed by the insured, unless so written, indorsed or attached." There was, in fact, an incumbrance of $4,000 on the property, and it was made without any agreement therefor being indorsed on or added to the policy. The insured contended that he had notified the agent of the mortgage when it was extended, and that the agent advised him that it was all right. Moreover, thereafter the agent received premiums. The court held that these facts did not constitute a waiver of the above clause.

2. Appraisal—When Demand For Is Not a Condition Precedent to an Action on Policy.

The policy provided that in case of a disagreement as to the amount of the loss, no action should be brought until an appraisal. The court held that this was a condition precedent only when there had been a disagreement as for the loss.

Judgment for insured below, here modified by the Supreme Court of Ohio.

OHIO FARMERS' INSURANCE COMPANY vs. TITUS,
92 Northeastern, 82. (July 12, 1910.)

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1. "Other Insurance" Clause—General Rule of Forfeiture Stated.

Forfeitures are not favored in law, and will not be given effect unless the facts upon which they depend bring the case clearly within the terms of the provisions of the policy relied upon to defeat a recovery.

2. Same—General Test For Forfeiture Under, Stated.

In order that other insurance shall constitute additional insurance, within the meaning of a clause rendering the policy void, unless otherwise provided by agreement indorsed thereon or entered therein, if the insured has or shall thereafter make any other contract of insurance on property covered in whole or in part by the policy, the property covered by both policies must be the same. The burden of proving that the property is the same rests on the company.

3. Same—What Facts Are Not Sufficient to Show a Forfeiture Under.

The insured was engaged in the livery business, and procured a policy covering the vehicles, harness, feed, etc. Two months later he bought out the business of another liveryman on another street, together with his stock of vehicles, harness, feed, etc. This purchased property was already insured in other companies. Thereafter he moved all his own stock into the second stable. All policies were in force at the time of the fire. Both stocks of goods were destroyed. The insurer contended that the comingling of the two stocks so destroyed their separate identity as to make them one, and that therefore the above clause was violated. The court held that the evidence was insufficient to establish the loss of identity and that therefor the policy was still valid.

Judgment for insured below, here affirmed by the Court of Civil Appeals of Texas.

NORWICH UNION FIRE INSURANCE SOCIETY vs. CHEANEY BROTHERS,
128 Southeastern, 1163. (July 13, 1910.)

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1. Clauses Concerning Proof of Loss and Time Within Which to Sue—Effect of Same Stated Generally.

A policy contained clauses requiring immediate notice of loss, formal proofs within sixty days after the fire, and commencement of an action within twelve months. The court held that these provisions were binding on the insured, and that, to entitle him to recover, it must be shown that they had been complied with, or that a compliance was either expressly or impliedly waived or excused by the insured or its agents.

2. Proof of Loss—What Acts of Agents Constitute Waiver of.

The fire occurred August 11. On the next day the insured notified the local agent, who told him to make a list of the property destroyed, with the value of each item. The evidence tended to show that on September 6, the agent and an adjuster called, made copies of the list, added up the values and stated the amount to which the insured was entitled. On several later occasions, but all before the expiration of the sixty days, the agent met the insured and told him not to be uneasy. The court held that such evidence should go to the jury as to whether the conduct of the representatives of the company would lead a reasonable man to suppose the formal proof was waived. The jury found for the insured.

3. Same—Same—When No Writing Is Necessary—Rule Stated.

The weight of authority is to the effect that the condition of a policy requiring proof of loss within a certain time may be waived by the acts and declarations of an agent of the company authorized to adjust a loss, notwithstanding a provision in the policy requiring a waiver to be in writing.

Verdict for insured in the Superior Court of Delaware.

EMORY vs. GLENS FALLS INSURANCE COMPANY,
76 Atlantic, 230. (July 14, 1910.)

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1. Proof of Loss—What Erroneous Statement in Same Does Not Avoid Policy.

There was room for an honest difference of opinion as to whether the loss was total or partial. The proof of loss sworn to by the insured was made in good faith, but was excessive. The court held that this did not constitute such false swearing as avoided the policy.

2. Appraisal—Right of Insured to Sue Upon Failure of Choice of Umpire, Stated.

A policy provided that in case of disagreement as to the amount of the loss, each party should appoint an appraiser, and that these two should select an umpire. It further provided that no action should be brought on the policy until the above provision was complied with. There was a disagreement and the two appraisers were appointed, but they failed to agree on an umpire. The court held that, in the absence of fraud, this failure of an umpire left the insured with a right to sue.

3. Attorney's Fee—When Same May Be Recovered in Kansas.

Section 1 of Chapter 142 of the Laws of Kansas of 1897 fixes the liability of insurance companies in case of total loss under policies issued insuring improvements upon real property; Section 2 thereof imposes a duty upon insurance companies as to all policies thereafter written upon real property, and fixes a liability without reference to whether the loss be total or partial; Section 4 thereof allows the insured to recover a reasonable sum as an attorney's fee as part of the costs. The insurer maintained that the section regarding the fee was applicable only to policies issued upon improvements upon real estate, and then only when the loss was a total one. The court held that Section 4 applied at least to all policies governed by either Section 1 or Section 2, and overruled the insurer's contention.

4. Proportionate Share of Loss—When Court May Render Judgment Against Several Insurers for Same.

Several insurers had covered the same property, and their policies each contained the provision that each company should only be liable for the proportion of any loss which the amount of its insurance bore to the whole insurance. These companies all joined in a suit in equity to restrain the insured from prosecuting separate actions at law, on the ground that an apportionment was necessary, and prayed for an accounting, if the policies should be held valid. In other respects than that of the separate judgments for the proportionate share of the loss, the companies failed to establish the equities of their bill. They now maintained that the entire case should have been dismissed. The court held that such a provision in the policies rendered an equit-

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able accounting proper and that the separate judgments should be upheld.

Judgment against certain insurers below, here affirmed by the United States Circuit Court of Appeals.

SPRING GARDEN INSURANCE COMPANY vs. AMUSEMENT SYNDICATE COMPANY,

178 Federal, 519. (July 14, 1910.)

1. Action Against Wrongdoer—When Company May Join Insured in Same.

The insured owned a large amount of personal property, a part of which was insured by the Carlton County Farmers Mutual Fire insurance company. The whole property was destroyed by a fire negligently started by a third person. The total value of the property destroyed was $14,663. The insurance was in the amount of $3,200, which the company paid the owner. Now the company joined the insured in suing the wrongdoer, the company to recover $3,200, and the insured to recover the balance, viz., $11,463. The court held it was a proper joinder of parties.

Judgment against wrongdoer below, here affirmed by the Supreme Court of Minnesota.

CARLTON COUNTY FARMERS MUTUAL FIRE INSURANCE COMPANY vs. FOLEY,

126 Northwestern, 727. (July 15, 1910.)

1. Binder—Nature of Contract Under Same—Rules Stated Generally.

The insured made an oral application for insurance on his ice plant and machinery. The agent stated he did not know the rate on such a risk, but would write to the home office for instructions and that the insured could pay the premium when the policy was delivered. With the consent of the insured, the agent, to cover the property in the interim, entered a binder in his books, and gave notice thereof to the home office, which ratified his act. The court held that a complete temporary contract of insurance existed between the parties during the period set out in the binder. The court then laid down these rules, that the property was insured during said period upon the terms and conditions of the regular standard policy of the company, and that a breach of any of these terms and conditions that would render void the regular policy would also make void the temporary contract, and also that any waiver of such breaches would equally apply to the latter.

2. Same—Extent of Liability Thereunder, Stated.

For a loss occurring during the existence of the contract upon the binder, the insurer is liable for the amount therein stipulated less the rate of premium fixed by the company subsequent to the loss.

3. Same—What Questions Are for Jury.

Whether there was a waiver by the company of clauses relating to concurrent insurance, incumbrances and proof of loss, and what was a reasonable time to submit the latter, were questions for the jury.

Judgment for insured below, here affirmed by the Court of Appeals of Georgia.

QUEEN INSURANCE COMPANY vs. HARTWELL ICE AND LAUNDRY COMPANY,

68 Southeastern, 310. (July 16, 1910.)

1. Incendiarism—What Evidence of Should Be Submitted to Jury.

The insured was a single man and lived alone. He left the house early one evening and spent the night with a friend. The fire broke out about 3:55 a. m. The evidence tended to show that all the windows and doors had been fastened from the inside and no one else had entered. The shades were pulled down and tacked to the sills. A five gallon can of coal oil was found, and a great deal of the same kind of oil was discovered on dressers, in drawers and in jars. Some shirts and paper were saturated with it. In his inventory the insured claimed to have lost thirty-six suits of underwear and thirty-three shirts. Most of the clothing was hung in the room where the greatest destruction was. The lower court refused to submit the question of incendiarism to the jury. The upper court held this was error and remanded the case for a new trial.

Judgment for insured below, here reversed by the Supreme Court of Washington.

BRUFF vs. NORTHWESTERN MUTUAL FIRE ASSOCIATION,

109 Pacific, 280. (July 18, 1910.)

1. "Mortgagee" Clause—What Rights Do Not Pass to Assignee of Mortgagee.

A policy contained what is called a "standard mortgagee clause." The mortgagee assigned the bond and mortgage to a third party. After the loss the original mortgagee assigned his right and interest in any moneys due or to grow due him under the policy to the assignee to the bond and mortgage. The court held that the indemnity was personal, and that, when the mortgagee assigned his mortgage without transferring his interest in the contract of insurance, the assignment of the bond and mortgage did not transfer any actionable interest sufficient to support a suit by the assignee to recover damages for loss to the premises.

2. Same—Same—What Assignment of Interest in the Policy Is Ineffective.

The court held that after the assignment of the bond and mortgage the original mortgage had no insurable interest, and that therefor when he later assigned all his right, title and interest in the money due or to become due on the policy, no rights were really thereby assigned.

Judgment for insurer below, here affirmed by the Supreme Court of New Jersey.

KUPFERSMITH vs. DELAWARE INSURANCE COMPANY,

76 Atlantic, 329. (July 21, 1910.)

1. "Mortgagee" Clause—What Rights Do Not Pass to Assignee of Mortgagee.

2. Same—Same—What Assignment of Interest in the Policy Is Ineffective.

The questions in this case were almost identical with those in the case of Kupfersmith vs. Delaware Insurance Company, above, having grown out of similar transactions between the same parties regarding the same property, and the holdings of the court were identical.

Judgment for insurer below, here affirmed by the Supreme Court of New Jersey.

WEINBERGER vs. AGRICULTURAL INSURANCE COMPANY,

76 Atlantic, 343. (July 21, 1910.)

1. "Mortgage" Clause—What Unfiled Mortgage is a Breach of.

A policy contained a clause rendering it void, "if the subject of insurance be personal property and be or become incumbered by a chattel mortgage." There was in fact a chattel mortgage upon the insured stock of goods, but it was still in the hands of the mortgagee and not filed. Moreover, the mortgage itself provided that it should "not be valid until and unless filed." The court held that, whether the instrument in question was a mortgage or not, it constituted an incumbrance upon the property, presently effective or not, at the option of the mortgagee.

2. "Material Fact" Clause—What Concealment Is a Breach of.

The policy contained a clause rendering it void, "if the insured has concealed or misrepresented in writing or otherwise, any material fact, or circumstance concerning this insurance or the subject thereof." The insured was asked whether the property was "mortgaged or otherwise incumbered," and he answered, "no." The court held this was a concealment of a material fact and avoided the policy.

Judgment for insured below, here reversed by the Supreme Court of Nebraska.

MADSEN vs. FARMERS' AND MERCHANTS' INSURANCE COMPANY,

126 Northwestern, 1086. (July 22, 1910.)

1. "Sole Ownership" Clause—What Contract of Sale with Change of Possession Is Such a Change of Interest as to Avoid Policy.

The policy contained the usual sole ownership clause. When the policy was issued the premises were occupied, not by the insured but by another. After the policy was issued, but before the fire, the insured contracted to sell the premises to the occupant. No date was fixed for closing title, but either party was to have a right upon thirty days' notice to demand performance, after the determination of a suit then pending against the insured in which his title was involved. The contract provides that if that action should go against the insured, he should be released from said contract. Further, the vendee was to have immediate possession, and agreed to keep the premises insured. The insured maintained that this contract did not change his interest, because the contract was conditional. The court overruled this contention and held that whether or not the vendee became the sole and unconditional owner was immaterial, but that the essential fact was that the vendor gave up his sole and unconditional ownership, and thereby created a change of interest.

Order against insured below, here affirmed by the Appelate Term of the Supreme Court of New York.

GOESCH vs. NIAGARA FIRE INSURANCE COMPANY,
SAME vs. PHOENIX INSURANCE COMPANY,

123 New York Supplement, 877. (July 25, 1910.)

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1. Assessment on Premium Note of Mutual Company—For What Purposes Same May Be Made.

Article V of Chapter 55 of Gen. St. 1909 of Kansas provides for the liability of a member of a mutual company to assessment on his premium notes. This liability extends to two purposes, and no others: First, to maintain a reserve fund equal to 10 per cent. of all the premium notes; second, to pay losses which may accrue and defray expenses. An assessment merely for purposes to be developed in the future is illegal.

2. Same—What Assessment for Guarantee Fund Is Illegal.

Section 4241 of Gen. St. 1909 of Kansas authorizes mutual companies having certain qualifications to establish a guarantee fund and to increase the same from time to time. This provision does not permit the assessment of premium notes directly for such purpose.

3. Same—What Financial Status Does Not Warrant Such Assessment.

The company had $4,000,000 at risk and held notes to the amount of $85,463 and mortgage loans to the amount of $20,455. Of this latter sum $8,546 constituted a reserve fund. It had $4,011 in cash and owed a little over $600 in liabilities. The court held that an assessment in this condition of the finances was illegal.

4. Assignee of Policy—When By-Laws Are Binding on Same.

The original insured agreed in his application to accept his policy subject to the by-laws of the company. A copy of this application was attached to the policy before the assignment. The court held that the assignee could not be heard to say that the by-laws were not part of the contract, though the copy of the by-laws attached to the policy was not signed in accordance with Section 4226, Gen. St., 1909, of Kansas.

Judgment for insured below, here modified and affirmed by the Supreme Court of Kansas.

SMITH vs. REPUBLICAN COUNTY MUTUAL FIRE INSURANCE COMPANY,
109 Pacific, 390. (July 25, 1910.)

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1. Arbitration—When Award Is Binding on Both Parties—General Rule.

The parties to an insurance contract agreed to arbitrate the amount of the loss, and the appraisers made an award. The court held that this award was binding on both parties unless set aside.

2. Same—When Insured Cannot Sue for Value of Goods Not Covered by Award.

Certain goods, covered by the terms of arbitration, were not appraised. The insured alleged that these goods were wrongfully omitted, and sued for their value. At the same time he sued for the amount of the award. The court held that the insured could not do both of these things at one time.

3. False Proof of Loss—How Taken Advantage of by Insurer.

The insurer did not learn of the falsity of certain statements in the proof of loss till the trial. The court held that this defense must be pleaded or be deemed waived, and stated that an amendment of the answer to that effect was still available.

Judgment for insured below, here modified and affirmed by the Supreme Court of Montana.

SALEM vs. CONNECTICUT FIRE INSURANCE COMPANY,
109 Pacific, 432. (July 25, 1910.)

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1. Construction of Policy—General Rule of Same for Ambiguity Therein.

If language in an insurance policy is ambiguous and susceptible of two constructions, one of which gives the policy effect, the other renders it void at the time of its execution, that construction should be adopted which will make the policy effective.

2. Warranties—Where Burden of Proving Falsity of Some Lies, Stated.

The burden of proving that statements of the insured in his application, which by the terms of the policy are made his warranty, are untrue, and that a condition of policy essential to its validity has been violated by the insured, is upon the insurer.

3. "Roller Mill"—Scope of, Stated.

A policy contained a clause which insured the property as a frame building "while occupied as a flour and roller mill." It then named a list of articles and machinery and ended with "and such other machinery not more hazardous as is usual to roller mills." The court held that the term "roller mill" included any form of mill for the coarse grinding of grain for feed, and might include a mill and machinery used for the purpose of manufacturing meal, bran and other feed products. The court held that the policy would be construed as covering such other machinery above mentioned, where not to do so would render the policy void from its execution.

4. "Ceased Operation"—What Cessation for More Than Ten Days Does Not Avoid Policy.

The policy contained a clause rendering it void if the manufacturing establishment ceased to be operated for more than ten consecutive days. The mill was not operated for the purpose of manufacturing flour at the time of the insurance of the policy and for a longer period than ten days thereafter, but was at that time, and continuously thereafter till the fire, operated in the manufacture of meal, bran and other feed products. The court held that the establishment had not ceased to operate within the meaning of the policy, for otherwise the policy would be void from its execution.

Judgment for insured below, here affirmed by the Supreme Court of Oklahoma.

CAPITAL FIRE INSURANCE COMPANY vs. CARROLL,
109 Pacific, 535. (July 25, 1910.)

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1. Cancellation of Policy—Construction of Clause Providing for Same—General Rule Stated.

Unless a policy is canceled by mutual consent, or the policy provides that it may be terminated by the exercise of an option by either party, and it is so terminated, it will continue for the term for which it was written. If the right to terminate is so reserved, the conditions precedent thereto must be strictly complied with. If a certain number of days is required to intervene before the notice to cancel is to take effect, the cancellation cannot become effective until the end of that period.

2. Same—What Obtaining of New Policy Is Not a Consent That It Be Substituted for the Old One.

The policy provided that cancellation might be effected by five days' notice by either party. The insurer gave notice of cancellation on November 7. Immediately thereafter the insured took out a policy in another company on the same property and for the same amount without notice to the first company. The fire occurred on November 11. The court held that this action by the insured did not show an intention to cancel the former policy or to substitute the new one for it. To do this there must have been an agreement to that effect between the parties. The court concluded that the old policy was still in force at the time of the fire.

3. Same—Same—When Same Is Not a Waiver of the Five Days' Notice.

The mere obtaining of the new policy in the five days' period does not constitute a waiver of such period by the insured. To constitute a waiver there must also be present an intent on the part of the insured to waive, coupled with a consent that he so waive by an agreement with the insurer.

Judgment against insured below, here reversed by the Supreme Court of Pennsylvania.

SCHEEL vs. GERMAN-AMERICAN INSURANCE COMPANY,
76 Atlantic, 507. (July 28, 1910.)

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1. Fraud in Proof of Loss—What Discrepancies in Valuations Will Not Be Deemed Same—General Rules Stated.

The jury found the value of the goods lost to be much less than that stated in the proof of loss. The question of fraud was thereupon submitted to the jury. The court stated that an incidental or unintentional mistake in making out proof of loss did not necessarily mean fraud; that a discrepancy, even if a very considerable proportion, between the amount stated in the proof of loss and the value found by the jury, did not conclusively establish fraud or false swearing, but that it remained a question of fact whether the valuations were intentionally fraudulent or merely an error in judgment.

2. Valuation of Assessors—What Instructions to Jury Concerning Are Not Prejudicial.

The lower court instructed the jury that the value of the property should be determined from the testimony of the witnesses in the case, and that the value as fixed by the assessor at a previous time in assessing the property had very little bearing on the question. The appellate court did not consider this statement as necessarily prejudicial, as the lower court no doubt had referred to the general custom of assessors to undervalue personal property.

Judgment for insured below, here affirmed by the Supreme Court of Minnesota.

HODGE vs. FRANKLIN INSURANCE COMPANY,
126 Northwestern, 1098. (July 29, 1910.)

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Casualty and Surety Insurance.

(*Continued from page 168.*)

per cent. of their cost to the insured, and new cars costing less than $2,000 for not less than 70 per cent.

Officials from the claim departments of all the casualty companies will gather at the Marlborough-Blenheim, at Atlantic City, on Wednesday next for the first annual three days' meeting of the **International Claim Association.** The program will include addresses by some of the best claim officials in the business, and there promises to be a large attendance. Little time will be devoted to hilarity, but much business of importance will be transacted. President Julius S. Eaton, of the Travelers, will be in the chair.

At a "midsummer lawn fête" given by H. G. B. Alexander, president of the **Continental Casualty,** at the Colonial Club, August 27, to the members of the home office force, the guests were surprised to receive checks of one-tenth of their regular monthly salaries. It was announced by Mr. Miller, assistant to the president, that the president felt that the recent arduous labor of the home office force called for some fitting recognition of their services.

It is reported that a number of large New York contracting firms have determined, in view of the advance in employers' liability rates, **to do their own insurance.** The United States Realty and Improvement Company and Mac Brothers Company are mentioned. There are no indications so far that mutual insurance will be established by contractors and builders, as suggested by a daily contemporary.

The Ætna Life is issuing a rider for its present accident and health policies, giving **double indemnities for automobile accidents,** for which a small extra premium is charged. The rider entitles the policyholder to the double indemnities if accidentally injured while riding in, operating or coming for a private auto or occupying one for public hire.

The **Pacific Surety,** according to the examination just finished by S. H. Wolfe for the California, Minnesota and Colorado departments, has admitted assets of $444,606 and net surplus of $62,142. At the end of the present year another examination will be made, at which time the effects of the changed management will be more apparent.

The **Royal of Liverpool** has announced that it will organize a casualty company in America to transact liability, personal accident, health, plate glass, burglary, boiler and all classes of insurance permitted by statute. The capital and surplus will be $500,000 each. The agency plants of the Royal and Queen will handle the casualty business.

Burglars camped **in a Brooklyn home** for a week during the absence of the family, ate, smoked and drank to their hearts' content, and on leaving took every portable article of value in the house, including the owner's wedding wardrobe, silk hat and all. A burglary policy would have been handy in that case.

By falling from one of the upper windows or the roof of the Park Row Building Wednesday **Edgar H. Holbrook,** aged about fifty years, came to his death. Several years ago he was severely injured by falling down the stairway well at the New York Life Building. He was an accident insurance solicitor.

The **German Commercial Accident** of Philadelphia has just received licenses to operate in Mississippi, Georgia and Utah, making a total of nineteen States it is now working in. The German is just now offering special bonus commissions to its agents for increases in new business during September.

The **Transylvania insurance company** is the name of the first insurance company to be organized for the express purpose of writing insurance against all kinds of risks the aviator is liable to fall heir to. Its incorporation papers were filed at Louisville, Ky., this week. The capital is to be $300,000.

The Massachusetts Insurance Department has authorized the organization of the **Empire Accident Corporation** of Lowell, Mass. It is to insure against death by accident or physical disability from accident or sickness. H. N. Peabody is president and A. P. Diamantopoulos is secretary.

The **Maryland Casualty** was caught for a $17,000 loss on account of the opening of a sprinkler head in the Nonotuck Silk Company's building at Chicago. The Maryland had a $25,000 leakage policy on the stock. There was no fire, the solder opening on an International 1904 type head.

Twenty-four native and foreign companies were transacting **plate glass insurance business in Germany** last year. The premiums received amounted to 8,333,065 marks and the claims paid reached 4,666,921 marks. The agency and management expenses amounted to 526,989 marks.

The **Pacific Coast Casualty** has been admitted to do business in New York State, and Whilden & Hancock have been appointed Eastern managers. It will do general liability, surety, fidelity, court, contract, plate glass and burglary insurance. New Jersey will be entered at once.

In his annual report Insurance Commissioner Hardison, of Massachusetts, contends that the **claim reserves** of surety, liability and credit insurance companies are **insufficient** to meet ultimate requirements, and suggests that the laws be changed to afford better protection.

The contracts of Hugo Nettle, home office manager of the plate glass department of the **Philadelphia Casualty,** and F. Seymour Giles, New York city manager of the same department, have been renewed, the company announces.

The Comptroller of the Currency has approved **applications to organize** the Virginia National Bank of Norfolk, capital $500,000, and the First National Bank of Pukwana, S. Dak., capital $25,000.

English casualty companies are looking with longing eyes at the development of liability insurance in this country, and their representatives are investigating the situation.

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The volume of **hail insurance** in the West has been light this year, but **profitable** generally. The only heavy losses have been in North Dakota.

Commercial accident business will be started by the **Columbus Mutual Life** of Ohio about October 1.

Official Reports.

Illinois Fire Insurance Report.

In his report of fire insurance business in 1909, just issued after many delays due to the excessive demands on the State printing office, Insurance Superintendent Potter gives the premiums for the year as $22,160,892, as against $21,020,659 in 1908. The average rate per $100 insured by the stock companies was $1.20, and the average loss 99 cents. The loss ratio for the stock companies was 42 per cent., and for the mutuals 32 per cent. as against 47 per cent. for the stock companies in 1908, and 61 per cent. for the mutuals. Taking all classes of companies together, the average premium rate for 1909 was $1.24 and the loss ratio 49 per cent. on risks written and 43 per cent. on premiums received.

On the topic of State rate making he says:

A general reduction in the charge for fire insurance is certainly a resolution desirable from any standpoint, but conservative State officials, as well as experienced underwriters, appear generally agreed that such reduction must come largely from an improvement in the fire hazard, or no very substantial relief can be hoped for. It is seriously to be doubted whether the rate making authority should be taken from the insurance companies and vested in the State, and experiments looking to this end have not so far been sufficiently successful to warrant further adoption of this plan of State relation. If State supervision should be enlarged, so that there might be lodged in the Insurance Department power to hear and determine questions of discrimination, to require that rates be fairly applied as to individual risks or perhaps classes of risks, it would very likely accomplish much good and seems to be as far as State control or regulation of fire regulation should be extended.

He suggests that the companies assist in the decrease of fire losses by selecting more competent agents, and approves the work of the fire marshal.

New York Life Insurance Report.

Part II of the fifty-first annual report of the New York Insurance Department, covering the business of life insurance for 1909, has been issued.

This volume of 1,000 pages includes the various schedules and general information, which, under the amended insurance law, all life companies are required to furnish the department annually.

The statistics as compiled show that the assets of the New York and other States companies increased over the previous year $263,281,470, of this increase $130,118,909 being in New York State companies. The liabilities of the various companies, excluding gross surplus and special funds, were $3,292,868,289, of which $1,956,065,902 was in New York companies. The gross surplus and special funds amounted to $173,606,532, of which $75,812,975 was in New York companies.

The total income was $691,135,126, of which $380,868,125 was in New York companies, an increase over 1908 of $20,957,195, the total gross increase for all companies being $47,995,041. The disbursements for the year are shown to have been $473,799,041, of which $344,006,147 was paid to policyholders, while the cost of management, including dividends to stockholders, was $129,792,893.

New York companies issued 342,707 "ordinary" policies in 1909, insuring $576,108,902, as against 305,693 policies issued in 1908, insuring $504,862,179. Companies of other States in 1909 issued 352,415 policies, insuring $708,133,145, while in 1908 they issued 286,914 policies, insuring $604,514,962. Compared with 1908, it appears that there were 102,515 more policies issued last year, and the amount of insurance written increased $174,864,906. There were 10,157 less policies terminated in 1909 than in 1908, while $42,123,389 less insurance was terminated.

The total number of "ordinary" policies in force on December 31, 1909, was 5,757,447, insuring $11,110,457,172, an increase in policies over 1908 of 320,440, and in insurance $556,499,315.

The business in force in the State of New York and transacted therein during the past year by all life insurance companies of this and other States, including "industrial" business, was as follows: Policies in force 5,515,453, insuring $2,431,017,825; policies issued, 1,001,592, insuring $372,020,470; an increase in insurance in force of $157,329,306 over 1908, and an increase in insurance written and paid for of $63,988,418.

The total receipts of the department for the fiscal year ending September 30, 1909, were $427,074.40; the total expenditures were $226,044.34; an excess of receipts over expenditures of $201,030.06.

The part value of the securities held on deposit by the department on December 31, 1909, belonging to the various insurance companies required by law to make such deposits was $25,942,510.

The improvement in the business of life insurance reflected by the returns of the companies for the year 1909 is marked, and indicates that this important branch of the insurance business is fast returning to more satisfactory conditions. While there was no abnormal increase in business written during the year, the increase in the business in force was most noticeable. The increase in dividend payments to policyholders during 1909, and in amounts apportioned for dividends on annual and deferred dividend policies, payable during the current year, the large decrease in lapsed policies and the lowering of the general expenses are among the features that go to prove that the year 1909 was not only a favorable one for the companies, but also for those insured.

Texas Life Insurance Report.

The annual life insurance report of the Department of Banking and Insurance shows that the companies of other States wrote new insurance, respresented by $24,331,938; premiums, $2,322,901, and paid in death claims, $651,095. The Texas companies wrote $22,306,103, collected $2,113,461 in premiums, and paid in death claims $651,088.

Insurance Legislation.

Texas.

AUSTIN, September 1.—The two houses of the Legislature have agreed upon a substitute insurance bill, through the work of a free conference committee, and the probability is that the bill will be put through in record time. It recognizes the maximum rate plan and will allow the fire insurance companies to compete under the rates fixed by the Fire Rating Board.

The coinsurance clause, which has been condemned by merchants at the several hearings, is prohibited, although the bill contemplates a rate based on a 50 per cent. coinsurance protection. This cannot be exceeded, however, without the consent of the insured, who is authorized to accept such a clause. The effect of this is to give him the right to negotiate for a lower rate providing he abides by the coinsurance clause and takes out insurance to meet it.

The maintenance expense of the State Fire Rating Board, to the extent of $25,000, is to be met by the companies, whose assessments are to be pro rata on their gross Texas business.

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Miscellany.

Itinerary to Mobile, Alabama, and Return, for Delegates to the National Convention of Insurance Commissioners.

The complete itinerary of the route to be traversed by the various delegates to the National Convention of Insurance Commissioners at Mobile, September 27-30, which was prepared by Commissioner Joseph Button, of Virginia, is as follows:

Delegates who may travel via Chicago, St. Louis or Cincinnati should have their tickets routed to Mobile as follows:

From Chicago via the Chicago & Eastern Illinois, Evansville & Terre Haute, and Louisville & Nashville railroads.

TRAIN SERVICE.

FROM CHICAGO, LASALLE STREET STATION, VIA C. & E. I., E. & T. H. AND L. & N.

Leave Chicago 12:30 p. m., C. & E. I., Sunday, September 25, Train No. 93.
Arrive Terre Haute 5:29 p. m., C. & E. I., Sunday, September 25, Train No. 93.
Leave Terre Haute 5:34 p. m., E. & T. H., Sunday, September 25, Train No. 93.
Arrive Evansville 8:40 p. m., E. & T. H., Sunday, September 25, Train No. 93.
Leave Evansville 9:20 p. m., L. & N., Sunday, September 25, Train No. 93.
Arrive Nashville 2:05 a. m., L. & N., Monday, September 26, Train No. 93.
Leave Nashville 2:25 a. m., L. & N., Monday, September 26, Train No. 93.
Arrive Mobile 4:12 p. m., L. & N., Monday, September 26, Train No. 93.
Leave Mobile 12:53 noon, L. & N., Train No. 4-92.
Arrive Nashville 2:58 a. m., L. & N., Train No. 4-92.
Leave Nashville 3:20 a. m., L. & N., Train No. 4-92.
Arrive Evansville 8:05 a. m., L. & N., Train No. 4-92.
Leave Evansville 8:30 a. m., E. & T. H., Train No. 4-92.
Arrive Terre Haute 11:50 a. m., E. & T. H., Train No. 4-92.
Leave Terre Haute 11:55 a. m., C. & E. I., Train No. 4-92.
Arrive Chicago 4:42 p. m., C. & E. I., Train No. 4-92.

FROM CINCINNATI VIA THE L. & N.

Leave Cincinnati 6:00 p. m., L. & N., Sunday, September 25, Train No. 1.
Arrive Nashville 2:15 a. m., L. & N., Monday, September 26, Train No. 1.
Leave Nashville 2:25 a. m., L. & N., Monday, September 26, Train No. 1.
Arrive Mobile 4:12 p. m., L. & N., Monday, September 26, Train No. 1.
Leave Mobile 12:53 p. m., L. & N., Train No. 4.
Arrive Nashville 3:10 a. m., L. & N., Train No. 4.
Leave Nashville 3:10 a. m., L. & N., Train No. 4.
Arrive Cincinnati 11:50 a. m., L. & N., Train No. 4.
Leave Mobile 1:55 a. m., L. & N., Train No. 2.
Arrive Nashville 7:40 p. m., L. & N., Train No. 2.
Leave Nashville 8:30 p. m., L. & N., Train No. 2.
Arrive Cincinnati 7:20 a. m., L. & N., Train No. 2.

FROM ST. LOUIS VIA THE L. & N.

Leave St. Louis 3:45 p. m., L. & N., Sunday, September 25, Train No. 93.
Arrive Evansville 9:05 p. m., L. & N., Sunday, September 25, Train No. 93.
Leave Evansville 9:20 p. m., L. & N., Sunday, September 25, Train No. 93.
Arrive Nashville 2:05 a. m., L. & N., Monday, September 26, Train No. 93.
Leave Nashville 2:25 a. m., L. & N., Monday, September 26, Train No. 93.
Arrive Mobile 4:12 p. m., L. & N., Monday, September 26, Train No. 93.
Leave Mobile 1:55 a. m., L. & N., Train No. 2-54.
Arrive Nashville 7:40 p. m., L. & N., Train No. 2-54.
Leave Nashville 7:55 p. m., L. & N., Train No. 2-54.
Arrive Evansville 1:10 a. m., L. & N., Train No. 2-54.
Leave Evansville 2:05 a. m., L. & N., Train No. 2-54.
Arrive St. Louis 7:40 a. m., L. & N., Train No. 2-54.
Leave Mobile 12:53 p. m., L. & N., Train No. 4-92.
Arrive Nashville 2:58 a. m., L. & N., Train No. 4-92.
Leave Nashville 3:20 a. m., L. & N., Train No. 4-92.
Arrive Evansville 8:05 a. m., L. & N., Train No. 4-92.
Leave Evansville 8:15 a. m., L. & N., Train No. 4-92.
Arrive St. Louis 1:26 p. m., L. & N., Train No. 4-92.

Delegates who may come from St. Louis will be joined by the Chicago delegates at Evansville, and the Cincinnati party will be met at Nashville, all arriving at Mobile, Train No. 93, Monday, September 26, 4:12 p. m.

RATES.

One way fare, Chicago to Mobile	$21.60
Round trip fare, Chicago to Mobile and return	43.20
One way fare, from St. Louis to Mobile	16.85
Round trip fare, St. Louis to Mobile and return	33.70
One way fare, Cincinnati to Mobile	19.60
Round trip fare, Cincinnati to Mobile and return	39.20

SLEEPING CAR RATES.

Standard Pullman berth rate, Chicago to Mobile	$5.50
Drawing room, Chicago to Mobile	20.00
Standard Pullman berth rate, St. Louis to Mobile	4.50
Drawing room, St. Louis to Mobile	16.00
Standard Pullman berth rate, Cincinnati to Mobile	4.50
Drawing room, Cincinnati to Mobile	16.00

OTHER AVAILABLE RATES.

Sixty-three dollars round trip circuit tour from Chicago, St. Louis or Cincinnati to New York city, going via Mobile, New Orleans, Southern Pacific Steamship Company to New York, returning via any direct ticketing route (including Buffalo, Niagara Falls). This rate includes meals and berth on steamer. Return limit, ninety days. Liberal stop-over privileges.

It is suggested that all coming from points west of Chicago and St. Louis patronize the Rock Island lines, because of their superb service to the commissioners in going to and from the convention at Colorado Springs last year.

Many of the Eastern commissioners having expressed a desire for a boat trip, reservations have been made for thirty-eight people on the steamship "City of Savannah," leaving New York Thursday, September 22, at 3 o'clock, arriving Savannah Sunday morning at 8, spending the day in Savannah, where a delightful program has been arranged, leaving Savannah Sunday night, arriving at Montgomery the next morning, where arrangements have been made for a trip around the city consuming several hours, leaving Montgomery about noon, and arriving at Mobile at 4:12 Monday afternoon.

New York to Mobile, Ala	$29.15
Mobile to New Orleans, La	4.20
New Orleans to Richmond or Norfolk	26.50

The through ticket from New Orleans to Richmond has a limit of two days, exclusive of date of sale.

For those desiring a stop en route, mileage is best, viz.:

	Miles.
New Orleans to Birmingham	355
Birmingham to Atlanta	166
Atlanta to Norlina	480
Total	1,001

Ticket, Norlina to Richmond	$2.45
Ticket, Norlina to Norfolk	2.90

Mileage book, price $20, can be purchased in New Orleans.
Leave New York (Pier 35 N. R.), September 22, 3 p. m.
Arrive Savannah, September 26, 6 a. m.
Leave Savannah, September 25, 6:50 p. m.
Arrive Montgomery, September 26, 8:50 a. m.
Leave Montgomery, September 26, 11:15 a. m.
Arrive Mobile, September 26, 4:12 p. m.

Through ten or twelve section Pullman drawing room broiler car can be had from Savannah to Mobile on thirty days' notice for twenty or more persons only at berth rate of $3, drawing room $11. Berth rate New Orleans to Richmond, $6.50.

RETURNING.

Leave New Orleans, 7:30 p. m.
Arrive Birmingham, 6:10 a. m., second day.
Leave Birmingham, 3 p. m., second day.
Arrive Atlanta, 8:35 p. m., second day.
Leave Atlanta, 8:55 p. m., second day.
Arrive Richmond, 5:05 p. m., third day.
Leave Atlanta, 11:30 a. m., third day.
Arrive Norfolk, 8:20 a. m., fourth day.

Hon. E. J. McGivney, Commissioner of Louisiana, has invited the convention to come to New Orleans for a day or two, immediately upon the adjournment of the convention. It is contem-

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plated that many of them will avail themselves of this opportunity to see New Orleans.

For the Eastern delegates, en route home, a stop in Birmingham for a day and Atlanta for a day is contemplated. From Atlanta the party can either come to Richmond or Norfolk, and thence to New York. The fare by the Old Dominion Line from Richmond is $9, and from Norfolk, $8; by rail from Richmond, $9.15, and Norfolk, $8. Pullman car fare from Richmond or Norfolk, $2.

It is urgently requested that all of those contemplating attending the convention will communicate at once with Hon. Joseph Button, committee on transportation, Richmond, Va., informing him as to the route they desire to take, so that proper arrangements may be made for sleeping car and other accommodations.

National Association of Local Fire Insurance Agents—Program of Fifteenth Annual Convention at Chicago, September 12-14.

OPENING SESSION.

MONDAY, SEPTEMBER 12, 2 P. M.

Address of Welcome—Homer A. Stillwell, president Chicago Association of Commerce.

Response—F. G. Lumpkin, Columbus, Ga.

President's Address—Fred Guenther, Detroit.

Reports—Executive committee, W. E. Metzger, chairman, Nashville, Tenn.; grievance committee, J. H. Southgate, chairman, Durham, N. C.

Address—Arthur Hawxhurst, Chicago, insurance manager, Marshall Field & Co.

Appointment of Committees.

Introduction of New Business.

SECOND DAY.

TUESDAY, SEPTEMBER 13, 11 A. M.

Open Debate—"The Expense Ratio of Fire Insurance."

Address—George D. Markham, St. Louis.

Discussion—Louis L. Rauh, Cincinnati, Ohio; H. W. Binder, Council Bluffs, Ia.; Morris Harris, Macon, Ga.; E. J. Tapping, Milwaukee; George H. Burns, Kittanning, Pa.; E. S. Techau, Louisville, Ky.; F. H. Burnham, Rutland, Vt.; John A. Murphy, Buffalo, N. Y.

Special Reports—"Trust Lines and Brokers." Joint Conference Committee: A. W. Neale, chairman, Cleveland, Ohio.

"Uniform Blanks," C. F. Hildreth, chairman, Freeport.

"Credit Conference Committee," C. H. Woodworth, chairman, Buffalo.

General Discussion—Any question of interest to the delegates may be introduced under this head.

AFTERNOON SESSION, 2 P. M.

Open Debate—"State Rating Laws."

Address—Charles W. Barnes, Superintendent of Insurance, Kansas.

Discussion—F. W. Offenhauser, Texarkana; Samuel B. Capen, St. Louis, Mo.; B. F. Kauffman, Des Moines, Ia.; George H. Russell, Milwaukee, Wis.; John C. North, New Haven, Conn.; J. D. Kiernan, Albany, N. Y.; O. B. Ryon, Streator, Ill.

Open Debate—"Standards of Agency Qualification; Agency License Laws."

Lyman M. Drake, Chicago, Ill.; John B. Reeves, Charleston, S. C.; Edith I. Goodspeed, Joliet, Ill.

General Discussion—Any question of interest to the delegates may be introduced under this head.

Introduction of New Business.

THIRD DAY.

WEDNESDAY, SEPTEMBER 14, 11 A. M.

Report of Committee on Resolutions.

Report of Committee on Nominations.

General Discussion—Any question of interest to the delegates may be introduced under this head.

Invitations for next annual meeting.

Closing Business.

Adjournment.

Workmen's Insurance in Germany.

(*London Chronicle.*)

The practice of insurance of workmen against accidents, sickness, etc., has been carried out in Germany with probably more thoroughness than in any other country. The movement began twenty-six years ago, and the insurance organization is under the ægis of the Government. The insurance of all workmen, including apprentices, is compulsory, employer and employee being compelled to pay fixed premiums, as established by law, and the Government contributing a certain amount. Statistics show that between 1885 and 1907 employers' contributions totaled $973,300,000; those of workmen, $851,587,500, and those of the Government, $121,662,500, a total of $1,946,550,000. In 1906, out of every 1,000 day laborers 863 were protected by sick benefits, all of them against accidents and 859 against old age and disability.

With regard to the sick fund, this had in 1907 a membership of 12,900,000, the membership having increased by 27 per cent. in seven years. Of the total receipts in 1906, $74,851,000, there was paid out $67,235,000 for sickness, medicine, medical service, assistance to relatives, hospitals, funerals, etc. In that year the workmen paid into the fund $48,909,000, and received from it $63,379,400 (128 per cent.) as insurance. The number of cases was 4,950,000, or 41 per cent. of the number insured. In recent years there has been a constant increase in the number of cases, but this is attributed to the greater readiness of workmen to apply for assistance rather than to an abnormal increase of disease. More than 9,000,000 persons engaged in various industries and 11,000,000 engaged in agriculture and forestry are protected by accident insurance, for which the amount paid out in 1907 was $35,771,400. With rising age it is found that the frequency of accidents increases disproportionately. The greatest percentage of accidents, 16 per cent., takes place between the ages of sixty and seventy. Over seventy the percentage drops perceptibly, owing to the class of work such persons perform. Another fact of interest has also been established, that the greatest number of accidents occur on Mondays and Saturdays, but especially on Mondays.

Under the invalid and old age pension laws 14,300,000 persons were protected in 1907, the increase in membership since 1900 being about 10 per cent. In 1907 $41,174,000 was paid as pensions, benefits, etc., the premiums of workmen amounting to about $19,516,000. Since 1907 the number of invalid pensions has risen very considerably, but owing to the efficiency of the department the strain on the fund has gradually diminished, the number of old age pensions having decreased from 203,955 in 1896 to 108,637 in 1909. Up to the age of thirty-five it is found that more than half the recipients of invalid pensions in industrial occupations suffer from tuberculosis, the proportion in the younger classes being almost two-thirds. The sick insurance office is making great efforts to stamp out this plague by special treatment and by the isolation of incurables in the consumptive stations at Berlin, etc.

The capital accumulations of the various funds are utilized principally in loans to villages and private persons, in supporting the credit of agricultural districts and in erecting workmen's dwellings, bathhouses, sanatoriums and similar institutions. The mean rate of interest since 1900 varies from 3.53 to 3.55 per cent.

Safe Makers Versus Safe Crackers.

(*Insurance Field.*)

Anyone who imagines that the battle between the safe manufacturers and the safe crackers has been finally won by the manufacturers is laboring under a delusion. This battle has been going on steadily from the time the first strong-box was fashioned, and with every advance made by the safe manufacturers the safe burglar or common yegg has improved his methods, so that it has been only a question of a short time after a new design has been placed on the market before some ingenious individual has found a way to gain access to its contents. The latest style safe is a round or screw door pattern which presents a very formidable appearance to any but the most experienced in this line of criminal practice. Of course, most of the safes which are burglarized are of old design. Possibly 75 per cent. of the banks are today using the square door type of safe, and burglars will naturally select this type for their operations whenever possible.

The square door safe yields readily to manipulation by the use of nitro-glycerine, but the possibility of detection is increased by the fact that it must be exploded with considerable resultant noise and damage to the premises. The up to date safe burglar has long ago learned the great heating power of a current of electricity, which can often be easily diverted from its proper channels and brought into the building in such quantity as to melt the lock mechanism and make it possible to gain an entrance. Electricity can also be made to burn a hole directly through the highly tempered steel of a modern safe.

Besides electricity, science has placed at the disposal of the burglar a very innocent looking but dangerous substance, known as thermit. This material was discovered in Berlin, and is known

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as the Fouche process. It acts without explosion or sound of any kind and generates an intense heat, reaching approximately 6,000 degrees Fahr. All kinds of steel yield to its effects. Besides these two useful appliances there is the oxygen-acetylene flame, which produces an intense heat. In twenty minutes this flame will burn through 2 inches of steel. It is not difficult to obtain oxygen-acetylene, as it is used extensively for commercial purposes. A small tank is the only thing required to transport a sufficient quantity of this material to open an ordinary safe.

That branch of burglary insurance known as hold-up or highway robbery is very important to men in certain lines of business where the protection of payroll funds is desired. In some localities great boldness and resourcefulness has been displayed by highway robbers in order to attack a paymaster at a time when he has a large amount of money upon his person. Two cases of this kind occurred recently in eastern Ohio. The paymaster of a mine and his assistant, while driving from town to town to the mine, were set upon by two highwaymen, mercilessly beaten and robbed of a satchel containing $4,000. Another incident is that of a paymaster who, while walking alone from the company's office to the mine, which was situated about a half mile away, was shot from ambush and a payroll of $1,600 taken. These acts are generally committed in out of the way places, but an incident is recalled of a paymaster who was robbed of his payroll in the public square of a city of 100,000 inhabitants by two men who saw him draw the money from the bank.

Hold-up insurance as now issued protects the insured against loss by robbery, by force or violence, or money intended for payroll purposes while in the custody of any employee of the assured acting as paymaster and conveying the money to or from any place or places in the regular performance of his duties. The policy covers from the time the money is withdrawn from the place of deposit until it is actually disbursed among the employees. The rate for this protection is very low, and is based upon the maximum amount of money in the custody of the paymaster at any one time.

Among the companies writing this class of business are the Ætna Accident and Liability of Hartford, Ætna Indemnity of New York, American Fidelity of Montpelier, Casualty Company of America of New York, Empire State Surety of New York, Employers' Liability of Boston, Frankfort Marine, Accident and Plate Glass of New York, Georgia Life of Macon, Great Eastern Casualty of New York, Kansas City Casualty of Kansas City, Lion Bonding and Surety of Omaha, London Guarantee and Accident of Chicago, Maryland Casualty of Baltimore, Massachusetts Bonding and Insurance of Boston, National Surety of New York, New Amsterdam Casualty of New York, New Jersey Fidelity and Plate Glass of Newark, Ocean Accident and Guarantee of New York, Pacific Coast Casualty of San Francisco, Prudential Casualty of Indianapolis.

SAFETY FUND INSURANCE.

NIAGARA

Fire Insurance Company

OFFICE: 135 & 137 BROADWAY. OF NEW YORK.

Head Office for the United States:

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William Street,

NEW YORK.

A. G. McIlwaine, Jr., Manager.

"Live Articles on Special Hazards"

This is the title of a handbook on Special Hazards which every inspector, examiner, local and special agent should possess. The articles are reprinted from the Monthly Fire Insurance Supplement of THE WEEKLY UNDERWRITER, for which they have been especially prepared by experts. Descriptions are given of the processes of manufacture and the physical characteristics of the risk, and the hazards are pointed out in detail. The book contains 80 pages, size 4½x6½ inches, handsomely bound in cloth, easy to carry in the pocket. It contains the following articles:

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Metal Workers .....by C. C. Dominge
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The Weekly Underwriter
58 William Street,
New York, N. Y.

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HOME OFFICE OF THE

Metropolitan Life Insurance Co.

INCORPORATED BY THE STATE OF NEW YORK

The Company OF the People, BY the People, FOR the People.

PROOF OF PUBLIC CONFIDENCE

This company has more premium paying business in force in the United States than any other Company, and for each of the last 16 years has had more New Insurances accepted and issued in America than any other Company.

The number of Policies in force is greater than that of any other Company in America, greater than all the Regular Life Insurance Companies put together (less one), and can only be appreciated by comparison. It is a greater number than the Combined Population of Greater New York, Chicago, Philadelphia, Boston, St. Louis, Cleveland, Cincinnati, San Francisco, Pittsburg, Baltimore, New Orleans and Buffalo.

ASSETS.

Municipal and R. R. Bonds and Stocks	$123,346,161.39
Bonds and Mortgages	105,183,172.02
Real Estate	23,311,215.72
Demand Loans on Collateral	172,930.00
Cash	5,420,643.42
Loans to Policyholders	11,193,245.61
Premiums, deferred and in course of collection (net)	5,190,288.45
Accrued Interest, Rents, etc.	3,290,211.85
Total	$277,107,868.46

LIABILITIES.

Dividends payable in 1910	$6,938,793.66
Reinsurance Fund and Special Reserves	237,213,384.00
All other Liabilities	3,053,470.82
Capital and Surplus	29,902,219.98
Total	$277,107,868.46

Largest Office Building in the World—Madison Avenue, Fourth Avenue, 23d Street and 24th Street, New York City.

SIGNIFICANT FACTS

This Company's Policy-claims paid in 1909 averaged in number one for every 63 seconds of each business day of 8 hours each and in amount $140.81 a minute the year through.

THE DAILY AVERAGE OF THE COMPANY'S BUSINESS DURING 1909.

456 per day in number of Claims Paid.

6,535 per day in number of Policies placed and paid for.

$1,463,755 per day in New Insurance placed and paid for.

$188,408.75 per day in Payments to Policyholders and addition to Reserve.

$182 172.72 per day in Increase of Assets.

OFFICERS

JOHN R. HEGEMAN.....President
HALEY FISKE.....Vice President
GEORGE H. GASTON....2d Vice President
GEORGE B. WOODWARD..3d Vice President
FRANK O. AYRES.....4th Vice President
F. F. TAYLOR.....5th Vice President
JAMES M. CRAIG.....Actuary
STEWART L. WOODFORD.....Counsel
WM. J. TULLY.....General Solicitor
FREDERICK H. ECKER.....Treasurer
WALTER STABLER.....Comptroller
JAMES S. ROBERTS.....Secretary
JOHN R. HEGEMAN, Jr....Asst. Secretary
J. J. THOMPSON.....Assistant Secretary
T. R. RICHARDSON.....Assistant Secretary
GEORGE B. SCOTT.....Assistant Secretary
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W. S. MANNERS, M. D..Asst. Med. Direct.
E. M. HOLDEN, M. D....Asst. Med. Direct.
D. M. GEDGE, M. D.....Asst. Med. Direct.

I. J. CAHEN.....Manager Ordinary Dept.
LEE K. FRANKEL, Ph. D..Mgr. Indus'l Dept.
J. BERGEN OGDEN, M. D..Asst. Med. Direct.
JACOB CHADEAYNE..Mgr. Interm'd'e Branch

Paid to Policyholders since Organization, plus the Amount now invested for their Security, $537,223,523.83.
Number of Policies in Force, 10,621,679. Amount of Outstanding Insurance, $2,041,951,700.00.

A GREAT SIX MONTHS!

We closed the first half of 1910 with a rousing increase in new business over our record for the first half of highly prosperous 1909.

In policies and dividends we have what the public wants. In literature and canvassing aids we have what the agent wants. And back of all is a reputation gained from 59 years of activity as a Massachusetts Company.

If you are a genuine producer, a *delivering* producer, and wish to join our forces, address

GEORGE D. LANG, Superintendent of Agencies

MASSACHUSETTS MUTUAL LIFE INSURANCE CO.

SPRINGFIELD, MASSACHUSETTS

INCORPORATED 1851

National Life Insurance Co.

MONTPELIER, VERMONT.

Established in 1850. Operating in 36 States.

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FRED A. HOWLAND, Vice-Prest. OSMAN D. CLARK, Secretary.
JAMES B. ESTEE, 3d Vice-Prest. H. M. CUTLER, Treasurer.
A. B. BISBEE, Med. Director. C. E. MOULTON, Actuary.

This Company held January 1, 1910, and gained during the past decade:

ASSETS,	$47,490,998.98	- Gain, 167%
LIABILITIES,	41,661,130.12	- Gain, 162%
SURPLUS,	5,829,868.86	- Gain, 211%
INSURANCE,	161,423,115.00	- Gain, 79%

ABSOLUTE SECURITY AND ECONOMY OF MANAGEMENT

J. G. WALKER, President.
T. WM. PEMBERTON, 1st Vice-Pres. W. L. T. ROGERSON, 2nd Vice-Pres.
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Organized 1871.

Life Insurance Company of Virginia

HOME OFFICE, RICHMOND, VIRGINIA

The OLDEST Southern Life Insurance Company.
The LARGEST AND STRONGEST Southern Life Insurance Co.
The PIONEER Southern Industrial Life Insurance Company.

Its policies are clear and definite in their provisions, and their values are absolutely guaranteed.

Assets, December 31, 1909	$5,872,691.99
Liabilities, December 31, 1909	4,312,405.82
Insurance in force December 31, 1909	68,337,613.00
Total payments to policyholders since organization	9,820,412.49

GOOD SALESMEN MAKE MONEY

"Big" money is made by good Life Insurance salesmen. Be a money-maker. Sell Prudential policies—the kind the people want.

Write us about an agency.

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Incorporated as a Stock Company by the State of New Jersey.

JOHN F. DRYDEN, President Home Office, Newark, N. J.

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HARTFORD LIFE INSURANCE COMPANY

CHARTERED FORTY-THREE YEARS

GEO. E. KEENEY, President. THOMAS F. LAWRENCE, Secretary

1909 Policy Contracts are Participating and Non-Participating. Annual or Deferred Dividends—Rates revised and made lower, Values based upon the FULL RESERVE. Desirable Contracts for Producers. Address—

Second Vice-President, Home Office, HARTFORD, CONN.

1825. THE 1910.

Pennsylvania Fire Insurance Company
OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,349,097.67
Surplus	2,233,426.43
Total January 1, 1910	$7,332,524.10

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

INCORPORATED 1851.

Berkshire Life Insurance Company
OF PITTSFIELD, MASS.

All Policies issued by the Company are subject to the Massachusetts Non-Forfeiture Law.

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BRITISH AMERICA ASSURANCE CO.,
INCORPORATED 1833.

Head Office: TORONTO, CANADA.
UNITED STATES BRANCH.
JANUARY 1, 1910

Assets	$1,556,740.94
Liabilities	902,438.61
Net Surplus	$654,302.33

HON. GEO. A. COX, President. W. R. BROCK and JOHN HOSKIN, K.C., LL.D. } Vice Presidents.
W. B. MEIKLE, General Manager.

Equitable Accident Company

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"THE COMPANY THAT WORKS WITH YOU"

CAPITAL, - - - - - - - - - - $100,000.00
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WM. H. JONES, General Manager

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NEW YORK.

The Philadelphia Casualty Company

WALTER LE MAR TALBOT, President

Our New Accident Policy is Perfection
IT'S THE POLICY YOUR CLIENT WANTS
IT'S THE POLICY THAT'S EASY TO SELL

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AGENCY CORRESPONDENCE SOLICITED

The Columbian National Life Insurance Co. of Boston, Mass.

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The Only Massachusetts Non-participating Company.

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ARTHUR E. CHILDS, President

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SURETY AND CASUALTY

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CAPITAL, $500,000

Business producers not now under contract wanted for open territory

Address AGENCY DEPARTMENT

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1887 —— CHARTER PERPETUAL —— 1910

THE GERMAN MUTUAL LIFE INSURANCE COMPANY
OF ST. LOUIS, MO.

Attractive Policy Forms and Low Premium Rates.
Liberal Contracts to Reliable Producers.

THE ONLY COMPANY IN THE WORLD THAT

"Insures Lives and Guards Them Against Disease"

APPLY
35 Nassau Street, New York, N. Y.

FIRE ASSOCIATION
1817 OF PHILADELPHIA 1908

Total Assets,	$7,840,675.19
Capital Stock,	750,000.00
Net Surplus,	1,804,021.58

E. C. IRVIN, President.
T. H. CONDERMAN, Vice-President.

New York City Department
KELLY & FULLER, Agents
92 William Street, New York City
Boston Department
JOHN C. PAIGE & CO., Agents
65 Kilby Street, Boston, Mass

THE Fidelity and Casualty Company,

97-103 CEDAR STREET, NEW YORK CITY.

Assets, $9,598,924.02.
Capital and Surplus, $3,564,229.90.
Losses Paid to January 1, 1910, $31,636,503.21.

This Company grants Insurance as follows:
Bonds of Suretyship for persons in positions of trust,
Fidelity Bonds, Burglary, Plate Glass,
Steam Boiler, Flywheel, Employers',
Public, Teams, Workmen's Collective,
Elevator and General Liability;
Personal Accident, Health
Physicians' Liability.

OFFICERS:
GEORGE F. SEWARD, President.
ROBERT J. HILLAS, Vice-President and Secretary.
HENRY CROSSLEY, Assistant Secretary.
FRANK E. LAW, Second Assistant Secretary.
GEORGE W. ALLEN, Third Assistant Secretary

ILLINOIS LIFE
INSURANCE COMPANY, CHICAGO
JAMES W. STEVENS, President.
Offers exceptional inducements to reliable and energetic men who are experienced in or who would like to enter the business of life insurance.
Address the HOME OFFICE:
Fort Dearborn Building 134 Monroe Street

MEN OF ENERGY
ARE OFFERED
WORK OF MOMENT

in desirable localities representing a sixty-year-old institution, with modern, liberal, law-conforming policies, and helpful Home Office co-operation. Much good territory available. Many opportunities for advantageous positions. Inquire NOW.

Union Mutual Life Insurance Co.
PORTLAND, MAINE
FRED E. RICHARDS, PRESIDENT
Address either: ALBERT E. AWDE, Supt., Flatiron Bldg., Watertown, N. Y.
THORNTON CHASE, Supt., 405 Exch. Bldg., Los Angeles, Cal.

HOME ENDORSEMENT
GAVE
CONFIDENCE ABROAD

New Insurance Applied for upon which Premiums have been paid in cash during the first Six Months of 1910 is in Excess of New Insurance Paid for in cash during the Entire Twelve Months of 1909

THE ABOVE IS THE RECORD OF THE
PITTSBURGH LIFE AND TRUST CO.
W. C. BALDWIN, President.
The First Company Licensed in the State of New York after the Enactment of the Amstrong Laws.
A FEW GENERAL AGENCY DISTRICTS OPEN

IT PAYS THE AGENT
To represent the best company. There are many excellent standard life insurance companies. Which is the best? In stability, progressiveness, liberal contracts to agents and low cost to policyholders no company surpasses
THE
Union Central Life
Insurance Co. of Cincinnati
ASSETS, $74,523,966.28 - - - LIABILITIES, $72,324,302.92
Good openings are occuring from time to time.
ADDRESS:
JESSE R. CLARK, President. ALLAN WATERS, Sup't of Agents.

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PHOENIX

ASSURANCE COMPANY, LIMITED, OF LONDON

(ESTABLISHED 1782)

LOSSES PAID, OVER - - - $200,000,000

HEAD OFFICE FOR THE UNITED STATES

47 CEDAR STREET, NEW YORK CITY

A. D. IRVING, JR., SECRETARY — LOUIS P. BAYARD, PERCIVAL BERESFORD — JOINT MANAGERS

HARTFORD LIFE INSURANCE COMPANY

CHARTERED FORTY-THREE YEARS

GEO. E. KEENEY, President. THOMAS F. LAWRENCE, Secretary

1909 Policy Contracts are Participating and Non-Participating. Annual or Deferred Dividends—Rates revised and made lower. Values based upon the FULL RESERVE. Desirable Contracts for Producers. Address—

Second Vice-President, Home Office, HARTFORD, CONN.

1825. THE 1910.

Pennsylvania Fire Insurance Company

OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,349,097.67
Surplus	2,233,426.43
Total January 1, 1910	$7,332,524.10

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

INCORPORATED 1851.

Berkshire Life Insurance Company

OF PITTSFIELD, MASS.

All Policies issued by the Company are subject to the Massachusetts Non-Forfeiture Law.

JAMES W. HULL, President.

W. D. WYMAN, Vice-Pres. and Treasurer. J. M. LEE, Actuary.
THEO. L. ALLEN, Sec. ROBT. H. DAVENPORT, Asst. Sec.

Agencies in all the principal cities of the United States.

Head Office for the United States:

57 and 59 William Street,

NEW YORK.

LONDON & LANCASHIRE FIRE INSURANCE COMPANY

A. G. McIlwaine, Jr., Manager.

The Employers' Liability Assurance Corporation

(LIMITED),

OF LONDON, ENGLAND.

Total Available Resources, over $8,000,000

$3,449,550.58 deposited in the United States for the benefit of United States Policyholders.

SAMUEL APPLETON, United States Manager,
Employers' Liability Building, 33 Broad Street, Boston, Mass
EDMUND DWIGHT,
Resident Manager for New York State,
76 William Street, New York

The Columbian National Life Insurance Co. of Boston, Mass.

LIFE, ACCIDENT AND HEALTH INSURANCE

The Only Massachusetts Non-participating Company.

The New Columbian Policies are Unexcelled in Clearness and Liberality. Good Contracts and Territory for Good Producers.

ARTHUR E. CHILDS, President

COMMERCIAL UNION ASSURANCE CO.

LIMITED,

OF LONDON.

OFFICE:

Cor. Pine & William Sts., New York.

OUR Course of Insurance Education Department for Furnishing Prospects, New "Model Policy," Will Plough the Field and Assure the Harvest for Good Agents.

Phœnix Mutual Life Ins. Co.

Write Home Office. HARTFORD, CONN.

Royal Exchange Assurance

OF LONDON, ENG.

Incorporated A. D. 1720

UNITED STATES BRANCH

92 William Street, New York

UBERTO C. CROSBY, General Manager — RICHARD D. HARVEY, Assistant Gen'l Manager

Company's Office Building.

Surety Bonds and Undertakings

are furnished promptly throughout the United States, Canada and Mexico, by the

American Surety Company

OF NEW YORK

Home Office, 100 Broadway

This Company confines its business exclusively to the furnishing of suretyship bonds and undertakings.

Its experience extends over a quarter of a century.

Its Financial Strength is greater, its Qualifying Power under Federal and State Regulations is larger, and its Agency Organization is more extensive than that of any other Surety Company.

Bonds issued for Employees, Administrators, Guardians, and in Judicial Proceedings.

STATEMENT DECEMBER 31, 1909.

Resources (including Capital, $2,500,000)	$7,612,718.73
Liabilities (including Reserve, $1,330,367.97)	1,927,36819

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A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS is unsurpassed for net low cost and care of interests of all members.

The Penn Mutual Life Insurance Company

OF PHILADELPHIA

On January 1, 1909, rates were reduced and values increased to full 3 per cent. reserve.

National Life Insurance Company

of the United States of America

ALBERT M. JOHNSON, President

More than $9,750,000.00 in Assets

Excess Security to Policyholders, $1,300,000.00

Chicago's Oldest and Strongest Company

OUR NEW POLICIES ARE WORLD BEATERS
LOW RATES AND HIGHEST VALUES

You Lose Money When You Neglect Your Chance to Sell Them

WRITE TO

Robert D. Lay, Secretary, 159 La Salle Street, Chicago

HANOVER

Agencies in all the Principal Places in the United States.

Fire Insurance Company

OF NEW YORK.

Western Assurance Company

HEAD OFFICE: TORONTO, CANADA.

INCORPORATED 1851.

Hon. GEO. A. COX, President.

W. R. BROCK and JOHN HOSKIN, K. C., LL. D., Vice Presidents.

W. B. MEIKLE, General Manager.

UNITED STATES STATEMENT, JANUARY, 1910.

Assets	$2,377,303.37
Surplus in United States	839,268.07

The Liverpool & London & Globe Ins. Co.

LIMITED

ESTABLISHED 1836. ENTERED THE UNITED STATES, 1848

NEW YORK OFFICE:

WILLIAM AND PINE STREETS.

NEW ENGLAND, NEW YORK, PENNSYLVANIA, NEW JERSEY, OHIO, INDIANA, KENTUCKY, TENNESSEE, MARYLAND, DELAWARE, DISTRICT OF COLUMBIA, VIRGINIA, WEST VIRGINIA, NORTH AND SOUTH CAROLINA.

H. W. EATON, Manager.
GEO. W. HOYT, Deputy Manager.
J. B. KREMER, JR., T. A. WEED, } Agency Superintendents.

CHICAGO OFFICE:

203-205 LA SALLE STREET.

ILLINOIS, MICHIGAN, IOWA, WISCONSIN, MINNESOTA, MISSOURI, KANSAS, NEBRASKA, COLORADO, NORTH AND SOUTH DAKOTA, MONTANA, UTAH, WYOMING AND NEW MEXICO.

W. S. WARREN, Manager.
GEO. H. MOORE, Assistant Manager.
HUGH R. LOUDON, Deputy Asst. Manager.

NEW ORLEANS OFFICE:

CORNER CARONDELET AND COMMON STREETS.

LOUISIANA, MISSISSIPPI, ALABAMA, ARKANSAS, OKLAHOMA, GEORGIA, FLORIDA, TEXAS.

CLARENCE LOW, Manager.
J. G. PEPPER, Assistant Manager.
THOS. H. ANDERSON, Deputy Asst. Manager.

SAN FRANCISCO OFFICE:

444 CALIFORNIA STREET.

CALIFORNIA, NEVADA, OREGON, WASHINGTON, IDAHO, ARIZONA, ALASKA.

CHARLES D. HAVEN, Manager.
C. MASON KINNE, Assistant Manager.
JOHN W. GUNN, Deputy Assistant Manager.

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CAMBRI

The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

VOL. LXXXIII. NEW YORK, SATURDAY, SEPTEMBER 17, 1910. No. 12.

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Checks and money orders should be made payable to the order of THE WEEKLY UNDERWRITER.

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK. Secretary.

THE harmonious relations existing between the fire insurance companies and their local agents will not be disturbed by the results of the annual meeting of the agents' National Association this week. There were some mutterings in a certain quarter several weeks ago about drastic measures that would be taken upon the commission question, but they did not materialize. The pronouncement on the subject by the meeting was conservative and sufficiently reasonable from its point of view. The companies will undoubtedly meet the question in the same spirit. The first great task of companies and their local representatives alike is to teach the public that reduced rates depend on a reduced fire waste. The views of the association on the other burning questions of the hour—brokerages, individual underwriters, overhead writing, ownership of expirations, banks and trust companies as agents—were lucidly expressed in the final resolutions adopted. This year's meeting was fully up to its predecessors in vitality and promise of growth for the association.

THERE is no mistaking the sentiment of the local agents, as it was represented in the convention, in reference to State control of rate making. The ready and unanimous response to the declaration of the president of the Chicago Association of Commerce that his feeling was "that none other than those financially interested and responsible for the safe conduct of a business shall have the right to say what that business shall charge for the services rendered—what that business shall charge for its goods" was significant, as was also the response of the representative of the convention that Mr. Stillwell was the most sensible talker on fire insurance that he had heard outside the insurance business. It was well that the local agents could have the opportunity of demonstrating their sympathy with the companies in the policy of "freest trade in legitimate business," and their disapproval of the demonstrations of insurance faddists in Kansas and Texas, who would put the business where it could be regulated by its enemies.

FIRE underwriters who viewed with some concern the recent conflagration at the Brussels Exhibition will be interested to learn of the practical measures which will prevail at the forthcoming exhibitions at Rome and Turin in 1911, to prevent a similar catastrophe, and a lesson may be gleaned therefrom applicable to our own big exhibitions in this country. The safeguards mentioned will be partly natural and partly mechanical. It is important to note in the first place that Rome is practically free from the hurricanes which beset the low lying Belgian capital, and are therefore a menace in the event of fire. Rome also has abundant water supply, for, aside from an auxiliary source in the form of a small lake in the neighborhood of the exhibition grounds, it has at its command the Marcia, Paola and Vergine waters. The mechanical safeguards mentioned will include a special supply of water for fire fighting purposes only, running through steel pipes at a constant pressure of fifteen atmospheres, or 213.30 pounds per square inch. In case of fire it will be possible by means of powerful electric pumps to supply water jets with a reach of 500 feet. To manipulate these elaborate appliances a body of fully trained firemen will be in attendance. The plans for the buildings specify fire stops at intervals, and large unbroken areas in single buildings will be eliminated by placing the exhibits in numerous separate buildings of smaller design. While this country has been fortunate in having escaped such a misfortune as befell the Brussels Exhibition, the popularity of such exhibits here and the possibility of dangerous fires make it all the more important that practical fire prevention suggestions like the above should be tried out here.

EFFORTS to interest the life insurance field men in a crusade against inimical legislation have been taking effect gradually, and we are pleased to note that practical suggestions along this line were made at the recent convention of the National Association of Life Underwriters. An active member and large producer in attendance at the meeting had this to say as to the possibilities for the future:

The National Association of Life Underwriters has been able to create a healthy sentiment of co-operation and fraternity among field men. By moral suasion and educational methods it has been possible to create a strong prejudice against rebating. In New York State, especially, the agents have been partly instrumental in enforcing the law against twisting. There is, however, a wide field of usefulness for our association, which is neither academic or spasmodic. It is a field which has as yet been untouched, and which would yield far more beneficial results than merely the promotion of good fellowship at monthly banquets and the annual exchange of views and felicitations at our annual conventions that our business is no worse. One has only to study the organization and effectiveness of the National Association of Credit Men, as well as other organizations of corporate representatives, to gather a number of decidedly suggestive ideas as to this association. For instance, the companies are at present co-operating with the International Association of Accident Underwriters in an effort to secure the repeal of the Missouri suicide law. I have not heard that the National Association of Life Underwriters has been called upon as an organization to help. And yet if we were properly organized we should be in a position to dominate the whole situation. The Association of Life Insurance Presidents spends thousands of dollars every year watching legislation materially affecting policyholders, the companies and the agents. Why is it that our association is never called upon? It is time to initiate a deliberately planned, well defined and progressive policy in this matter.

Any organization whose individual members come in daily personal contact with large numbers of people is

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possessed of a political influence limited only by the bounds each individual sets upon his own endeavors. It will readily be seen that the National Association of Life Underwriters, with its enormous membership, of which each individual is more or less intimately acquainted with hundreds of other men, is already in a good position to take up the work of fighting the bad and encouraging the good in insurance legislation. The coming season, with forty-six legislative bodies in session, should give ample opportunity to test the efficiency of this organization as a molder of legislative opinion, and we applaud the movement of its members to get together for this purpose.

Facts and Opinions.

At a meeting of the **New York Fire Insurance Exchange** on Wednesday the following resolution was adopted:

1—That the rule for use and occupancy, promulgated in circular No. 1122, under date of November 11, 1909, and printed on page 82 of the Hand Book (edition July, 1910), and reading as follows:

"Policies covering use and occupancy, or other interest dependent on duration of interruption of business because of fire, and naming a per diem indemnity, must limit such per diem indemnity to not exceeding 1-300th of their face amounts," be changed so as to read as follows:

"Policies covering use and occupancy, or other interest dependent on duration of interruption of business because of fire, and naming a single per diem indemnity, must limit such per diem indemnity to not exceeding 1-300th of their face amounts, but where such policies name more than one per diem indemnity their face amounts must not be less than the aggregate produced by applying the several per diem indemnities named to the respective periods covered by them for one full year at the rate of twenty-five days per calendar month."

N. B.—Members will note that the limitation feature of this modified clause does not interfere with the writing of insurance on use and occupancy and similar forms on the basis of 365 days per annum, instead of 300 days per annum, when desired.

2—That the present automatic sprinkler clause, printed on page 88 of Hand Book (edition July, 1910), be hereby designated as "Automatic Sprinkler Clause No. 1" without other change.

That, following such automatic sprinkler clause No. 1 in Hand Book, there be introduced the following "Automatic Sprinkler Clause No. 2," required as noted on rate cards on all policies covering risks having partial automatic sprinkler equipments (ungraded):

"It is hereby made a condition of this policy that the assured shall use due diligence to maintain in full working order during the term of this insurance the automatic sprinkler equipment now in use, and that no change shall be made in such system without the approval of the New York Fire Insurance Exchange or the New York Board of Fire Underwriters."

That in all cases where an allowance in rate has been made for a partial sprinkler equipment (ungraded), as in theatres, basements and other separate floors, rate cards shall note the portions of the premises so protected and require on all policies automatic sprinkler warranty No. 2.

A master in chancery in Chicago has rendered an interesting **finding in an important life case** that has been in litigation for some time. The late W. R. Payne, former manager of the Chicago Life, which reinsured in the Federal, was a partner with O. H. Looney in a general agency for the Chicago Life at Nashville. He had a policy for $5,000 in the company payable to his estate, and Mr. Looney claimed the amount, holding that the policy was taken out to guarantee money owed him by Mr. Payne. Mrs. Payne brought suit at Nashville, claiming that it was her husband's legal residence, the Tennessee law making a policy payable to the insured's estate free of all claims for debt. Mr. Looney also filed suit, and the case was carried to the Tennessee Supreme Court, which gave Mr. Looney $3,000, Mrs. Payne $2,000, and assessed a penalty of $750 under the Tennessee law providing for a penalty on a company which contests a valid claim. The Federal claimed that Chicago was Mr. Payne's residence, he having been in business there for several years, and secured an injunction against Mrs. Payne, restraining her from collecting the Tennessee judgment, which went to Master in Chancery Brown, the Federal in the meantime paying the face of the policy into court. The master found that the judgment in favor of Mrs. Payne in Tennessee settled all issues in dispute, and that the Federal shall pay all costs of litigation and both the Looney and Payne claims, with interest and penalties.

The forty-first annual convention of the **Fire Underwriters' Association of the Northwest** will be held at the Hotel La Salle, Chicago, October 5-6. The program just issued contains many interesting features. Following the reports of the secretary-treasurer, board of directors and the executive committee, and the president's address, will come the annual address by Commissioner James V. Barry, of Michigan, his topic being "Some Present Day Problems." Other speakers and their topics follow:

"Practices," W. A. Blodgett, second assistant manager Springfield, Chicago.

"Inspections by Different Concerns," J. M. Harrison, State agent Connecticut Fire, Minneapolis.

"Fire Insurance: Its Prudence and Development," J. W. Mooney, Columbus, Ohio.

"The Significance of the Fire Waste," Franklin H. Wentworth, secretary National Fire Protection Association, Boston, Mass.

"Theory and Practice of Electrical Inspection," George E. Bruen, National Board of Fire Underwriters, New York city.

"The Relation of the State Fire Marshal's Office in Reducing the Fire Waste," C. J. Doyle, State Fire Marshal for Illinois.

Reports of committees, unfinished business and new business, and the election of officers will take up the final session.

In speaking of the **increasing raids** being made **by unauthorized companies** on fire insurance business belonging to the licensed companies, Insurance Commissioner E. C. Cooper, of North Dakota, says:

An enormous amount of premium income is yearly diverted from the regularly licensed companies, which conform to the requirements of the insurance laws and pay fees and taxes for the privilege of doing business to outside underwriters and companies which pay nothing. One of the conspicuous weak spots of our elaborate system of government supervision of insurance is its inability to stop the transaction of this unlicensed business. As the law stands at present it is almost impossible, without the co-operation of the assured, to secure evidence upon which an action might be commenced. The difficulty is to prove that the individual agent is acting for and on behalf of the unauthorized concern. The law particularly applies to the agent of a corporation and not to the agent of the assured. The agent invariably assumes to be the agent of the assured. In a great many cases this is a mere subterfuge to evade the requirements of the statutes. As no taxes or fees are paid, this underground business can be written at lower rates and yet yield more net premium than can be obtained by the regularly licensed companies. The risks insured are not of a surplus line character at all in a great majority of cases, but are risks which could be fully protected in licensed companies.

A political fight at Springfield has dragged in the recent consolidation of the Franklin Life of Springfield and the La Salle Life of Chicago, and the **transformation of the Franklin** from the mutual to the stock basis. It has been suggested that the mutual policyholders have lost some of their rights by the change, but the contract of reinsurance provides that the rights of the mutual policyholders of the old Franklin and their interest in the surplus of the company shall be in no wise violated by the change. Not only the mutual surplus but all the accumulations of the mutual policyholders are to be kept in a separate fund, which fund is not to be trespassed on in any way by the stock interests or the stock policyholders. The whole transaction was supervised by the Illinois Insurance Department, which carefully safeguarded the interests of the mutual policyholders, and the Illinois department also insisted that a new license must be taken out on the ground that the La Salle Life passed out of existence and the charter of the old Franklin was surrendered, the resultant

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company being practically a new one. The Franklin is now being examined by the Illinois Insurance Department.

The executive committee of the **National Fraternal Congress** has abandoned all hope of agreement with the Associated Fraternities of America as to the proposed legislation to govern fraternals, and **will co-operate with the National Convention of Insurance Commissioners** in support of the tentative bill now being sponsored by the commissioners. Resolutions adopted by the executive committee of the Associated Fraternities read as follows:

Resolved, That it is the sense of this executive committee that no further conference be held with representatives of the Associated Fraternities of America looking toward an agreement upon a tentative bill to be proposed in the several legislatures during the coming legislative sessions, for the reason that there is no apparent disposition on their part to agree upon or support any legislation looking to the proper conduct and ultimate solvency of the business of fraternal insurance.

Resolved further, That it is the sense of this executive committee that the representatives of the National Fraternal Congress should confer and co-operate with the insurance commissioners of the several States, to the end that such legislation may be had as will secure a proper conduct and ultimate solvency of fraternal insurance associations.

In announcing **changes of administration** that will become effective after the removal of the Western department office from Chicago to New York about November 1, United States Manager E. G. Richards, of the **North British and Mercantile,** writes as follows to his agents:

At the head of the Western department, as it will then be constituted, Mr. James F. Joseph, with the title of general agent and jurisdiction over the following States: Illinois, North Dakota, South Dakota, Iowa, Nebraska, Missouri, Kansas, Oklahoma and Arkansas. At the head of the Central department, which will then be established, Mr. George H. Bell, with the title of general agent, and with jurisdiction over the following States: Ohio, Indiana, Michigan, Wisconsin, Minnesota, Kentucky and Tennessee. No introduction is needed for either Mr. Joseph or Mr. Bell to our many agents and the fraternity in general. Their long experience in the Western field, and successively in the position of assistant manager in our Western department, amply qualifies them for their larger and more responsible duties in their new positions, and we ask your hearty support of their efforts for the advancement of the company's interests.

The *Insurance Monitor*, of London, says of the reorganizatio of the **Liverpool and London and Globe:**

On the 26th ult. an unusually important and interesting registration was effected at Somerset House. It was the completion of the design for the modernization and fuller equipment of one of our most honored and reputable insurance institutions. Founded under a deed of settlement in 1836, the Liverpool Fire and Life insurance company ten years later, on extending its operations to the metropolis, became the Liverpool and London insurance company. In 1864 it acquired the Globe insurance company (founded as far back as 1803), and thenceforth became known throughout the world as the Liverpool and London and Globe, or popularly as the L. & L. & G. On July 25, 1904, the company was registered as unlimited pursuant to its special act of that year; and pursuant to the Liverpool and London and Globe insurance company's act of 1910 has now been re-registered as a limited company. In acordance with statutory requirements the ad valorem duty of 5s. per cent. on the new nominal capital of £3,000,000 became payable, so that as large a registration fee as £7,500 has again been paid by an insurance company.

The opinion seems to prevail that the **Eastern Union** will not dissolve at its meeting next week, but that it will simply vote to suspend all rules. In case the Fire Underwriters' Association fails to materialize at its next meeting the situation will be open for any kind of settlement. In the opinion of one well informed underwriter a sufficient number of the companies will quickly come to terms and join with those still in the Eastern Union in the resuscitation of that organization, regardless of the attitude of Mr. Henry Evans and his associates, and that the situation from that time on will pit the companies favoring flat commissions against those favoring contingents. Few seem to expect the dissolution of the Eastern Union next week, and few seem to expect that that Fire Underwriters' Association will ever get under way.

The *Insurance Record*, of London, has the following to say about **insurance for aviators:**

It is reported that the French insurance companies, after a private meeting of directors, have definitely decided not to insure flying men against accidents, at any rate for the present, in consequence of the enormous risks. The only proposals that will be entertained is insurance against loss or injury caused by an aviator to other people. The organizers of aviation meetings can protect themselves against this class of accident—a £200 premium guaranteeing £20,000 insurance during the continuance of the meeting. Recently a Spanish company made heavy losses over its policies on the lives of three aviators, whom it had insured at £60 a year premium for £2,000. It had to pay the widows £2,000 apiece in less than a year. A gentleman much interested in aviation had the opportunity some days ago of going up as a passenger with a prominent aviator. He wanted to insure himself for a quarter of an hour's flight, but his own company asked him £30 premium for a £2,000 policy.

One of the most **common rebuffs** met with by the life insurance solicitor is the reply, "I cannot afford it." To such as these, writes Assistant Superintendent Thomas F. Grady, of New York, in the Prudential *Weekly Record*, say:

You could not have thought of the relation which the cost of other expenditures that you deem essential bears to life insurance, which you need more. You know, of course, that you could carry a $1,000 policy for about 5 cents a day, and you would not care to say to anyone that you could not afford a 5 cent cigar, an occasional ice cream soda or a show or a ball game or a number of things that you feel you must have, and that, as a matter of fact, you need less than you do insurance. If you insist, after getting this cost down to cents, that you cannot afford it, then it is surely up to you to make some sacrifice for those who are now depending upon you. If now, in your vigor of life, you cannot afford those few pennies, what will become of your family when you are taken away?

Our esteemed contemporary, the *Insurance Report*, published at Denver by Mr. Cyrus K. Drew, prince of good fellows and authority on insurance matters, publishes in its current issue a characteristic notice of its **removal to new quarters,** which we reproduce:

At last we feel that we are "at home," and surely never before was the home of an insurance journal more appropriately named. In the Gas and Electric Building, Suite 966, our friends and all others will find us comfortably settled. This building, corner of Fifteenth and Champa streets, Denver, is one of the wonderful sights of the Queen City of the Plains. It is of pure white—another emblem of its appropriateness for our purposes —and it has more electric lights on its two street fronts than are to be found on any other single commercial building in the world. Many of Denver's insurance folks are to be located in this building.

The **Texas insurance bill** failed to secure the vote in the House necessary to carry the emergency clause and make it operative September 10. In consequence it does not go into effect until the middle of December. The discussion in both houses showed that the Senate was strongly opposed to State regulation of insurance, it having voted twice to repeal the present fire rating board law. The House refused to consent to this, but it is claimed that the sentiment against State regulation was growing rapidly in that body. Insurance men believe that the new law will fail, for the reason that the sum which the insurance companies are required to provide for carrying on the work is inadequate.

Credit for the decision of the **Virginia** State Tax Commission to segregate insurance companies with certain other corporations for taxation by the State alone belongs to Insurance Commissioner Joseph Button, whose unswerving stand on the question of **insurance taxation** has been fruitful of results. The Virginia Tax Commission has arrived at the conclusion that insurance companies and other corporations subject to State supervision and control should be subject to State taxation, and not at the mercy of municipalities with varying views on the subject of corporation taxes. The commission will urge the Legislature for laws to this end.

The *Chronicle* says: "That a **national bank may not insure** the life of its president or any of **its officers** has been decided

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by the Comptroller of the Currency. A request from a bank for permission to do so has brought out that ruling. The decision is based on a case which officials discovered in the Northwest some time ago. A life insurance company acquired a string of national banks and insured all the employees. By that system the earnings of the banks went to the life insurance company to pay premiums on the policies on the lives of the employees."

The **trial of Lewis H. Vail,** president of the Dutchess Fire insurance company, is under way at Poughkeepsie. Mr. Vail is under indictment for forgery as a result of charges preferred by Insurance Superintendent Hotchkiss after investigation of matters connected with the reinsurance contract with the Dutchess insurance company, the specific charge being that he cut a page out of the company's minute book with intent to deceive the insurance department. His counsel entered a demurrer, which was overruled by Justice Morschauser.

A paragraph in the *Insurance Observer*, of London, records a **peculiar fire loss,** as follows:

Fire is notoriously not a respecter of persons or things. Even canned salmon is not safe. Only the other day 29,000 cases waiting at Bristol Bay, Alaska, for shipment in the steamship Berlin were burned. The loss is a rather heavy one. Each case is worth $4.50, so that the destruction of 29,000 cases represents a loss of some £26,100 for this market, or a claim of nearly 54 per cent., on the value of the whole consignment, £48,500, intended for the Berlin. The insurance on the salmon was placed with the companies and Lloyds underwriters and attached three months before the date of shipment.

A personal letter from Insurance Commissioner Frank N. Julian states that present indications are that the coming **National Convention of Insurance Commissioners** at Mobile will be one of the largest yet held in point of attendance. Insurance company officials from all parts of the country are coming, this being an exceptional opportunity for them to meet in person the various State department officials. Commissioner Julian having resigned, this will be his final appearance as an insurance official.

The campaign by Insurance Commissioner Button **to reform negro fraternals** continues, the latest being the change of management of the Grand Fountain of the United Order of True Reformers, which is most prominent of all negro secret societies. Commissioner Button ascertained that insurance claims were remaining unpaid, and demanded that new officers be put in charge, which was done after much expostulation on the part of the order.

The **New York Life** asked for an increased volume for August owing to the removal of the old limitation, and reports $18,200,000 applied for, with an average per policy of $2,700, as against the general average of $2,000 per policy in force. The Western department leads all departments, while Seattle leads all branches in volume, the central branch in Chicago leading in the number of applications.

Of the 580 **deaths** among New York Life policyholders **during August** the nine leading causes were as follows: Consumption, 59; heart disease, 55; Bright's disease, 53; cancers and tumors, 41; diseases of digestive organs, 36; accidents, 35; apoplexy, 33; pneumonia, 29; paralysis, 20. The policies held aggregated $1,691,556.43. The payments to living policyholders during the month were $2,292,347.68.

The **New York State legislative investigating committee** continues in session at the City Hall. Insurance matters are still untouched, the probe into corruption among legislators having occupied the committee's entire time. Numerous sensational developments with regard to various former and present members of the Legislature have occurred, and more are expected.

Unauthorized companies in Georgia are confronted by the following court decision:

No contract of insurance on property situated in this State, no matter whether the transaction of insurance is made in this State or elsewhere, is enforcible in this State unless the insurer, when the policy was written, was duly licensed to do business in this State. Premiums alleged to be due on such unauthorized policy contracts are not collectible in the courts of this State.

The **Ancient Order of United Workmen** in Illinois is experiencing trouble because of its arrearages in the payment of death claims. The Illinois Insurance Department is investigating the order, which explains that some of its funds, now tied up in litigation, are expected to be released shortly, and will be sufficient to meet all claims.

The increased **credits for coinsurance** recently ordered **in Illinois** have not yet produced the expected increase in premiums, but it is not thought that the experiment has been given sufficient time for adjustment. The reduction for increased coinsurance is material, and many property owners are availing themselves of it.

The **Firemen's of Newark** has secured an excellent **agency plant in Kansas and Oklahoma** through its reinsurance of the Freeholders Fire, which had 700 agencies in the two States. The Freeholders field men in those States will continue with the Firemen's, working under the supervision of State Agent Bailey.

The directors of the **Empire City and the New Amsterdam** fire insurance companies, two of the Crum & Forster companies, are preparing **to amalgamate** the two companies under the name of the Empire City. The new company will have a capital of $400,000 and a surplus exceeding $250,000.

Notice has been sent by Insurance Commissioner E. C. Cooper, of North Dakota to **Cosmopolitan Fire policyholders** in that State, advising them to forward their policies to the Royal Exchange of New York, which reinsured the Cosmopolitan's outstanding business, for proper indorsement.

A controlling interest in the stock of the **Anchor Fire of Des Moines** has been acquired by M. H. Cohen, H. H. Polk, O. G. Chesley and W. S. Hazard. The latter two constitute the firm of Hazard & Chesley, general insurance agents at Des Moines, and operating in other States.

The American Union Fire of Philadelphia this week elected Acting Treasurer Charles A. Wilson to be permanent treasurer, and William H. Billyou, of Philadelphia, and Eben B. Campbell, of Williamsport, to be directors. The sale of stock is practically completed.

The **Greenwich insurance company** is again writing fire insurance through J. S. Frelinghuysen, general agent. Mason A. Stone is at the head of the company again. The capital has been brought up to $200,000, and a surplus of $50,000 is on hand.

The stockholders of the **Security Fire of New Haven** have voted a $200,000 **stock increase,** to be paid for by present

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stockholders on the basis of $50 for each $25 share. The increase is to be completed by December 15.

The executive committee of the **Underwriters' Association of New York State** has elected Special Agent H. E. Maxon, of the Continental, to the vacancy on the committee caused by the resignation of A. H. Murphy.

A number of the smaller life companies in the East are considering the organization of an **exchange bureau of information** on rejections, similar to that maintained by the Insurance Exchange in the West.

The **Independent Order B'rith Solomon** of Philadelphia, an assessment fraternal beneficiary society, was licensed this week by Superintendent Hotchkiss to do business in New York.

The **Minn-dako-wis Tribe** will hold its annual meeting in Chicago on the evening of October 6, the closing day of the meeting of the Fire Underwriters' Association of the Northwest.

The **Board of Fire Underwriters at Macon, Ga.**, has elected John E. Wilson to be president, E. E. Harold to be vice president, and F. D. Coburn secretary-treasurer.

The **Metropolitan** is displaying its **tuberculosis exhibit** at about eighty county fairs this fall. The model home shown is attracting much attention.

The **International Permanent Committee of Social and Industrial Insurance,** just adjourned at The Hague, will meet in 1913 in the United States.

The **Yorkshire insurance company** of York, England, is preparing to write surplus lines in the United States through Frank & Dubois.

The **Illinois Association of Local Fire Insurance Agents** will hold its annual meeting October 12.

A **dividend** of 25 per cent. **for creditors of the Southern Fire** will be paid in a few days.

Personal.

AGENCY APPOINTMENTS.

Continental: Joseph Rowat, of Montreal, chief agent and resident manager for the Dominion of Canada.

General Adjustment Bureau: James M. Young, staff adjuster at the Philadelphia office from October 1.

Great Eastern Casualty: Ballard-Eliot Company, Des Moines, Iowa agents for plate glass lines.

Sun Fire Office: Alfred E. Church, formerly special agent for the Sun for Maryland, Delaware, District of Columbia, Virginia and Allegheny County, Pennsylvania, transferred to western New York; Fred J. Renner, former assistant to Superintendent Sherman at the home office, special agent to succeed Mr. Church.

Mr. Edgar C. Fosburgh, of Norfolk, Va., president and general manager of the Fosburgh Lumber Company, of Norfolk, president of the North Carolina Pine Association and of the Lumberman's Marine insurance company and a director of the National Bank of Commerce of Norfolk, who died at the Lake Placid Club, Essex County, N. Y., was born in Canada and went to Virginia from Michigan nineteen years ago. He was fifty-seven years old.

Mr. Louis B. Lawton died on September 7 in Morristown, N. J., at the home of his son, Dr. C. E. Lawton. He was seventy-eight years old. For forty years he was connected with the Mutual Life insurance company of New York. For twenty-five years he was general agent for Ohio. The last fifteen years of his business life he was assistant actuary at the home office in New York. He retired ten years ago.

Mr. Julius Bohm, former Pacific Coast manager for the Columbian National Life, and for a few months past Illinois general agent for the State Life of Indiana, has been appointed associate general agent for the Illinois Life in Chicago. He will share the quarters of Manager James L. Ferguson in the Majestic Building, but will conduct an independent office.

Mr. Joseph Fessenden, of Winchester, Mass., special agent of the Law Union and Rock, has been appointed State agent and adjuster for the Milwaukee Mechanics insurance company and the German Underwriters' Department for New England and New Jersey, with headquarters in Boston.

Mr. James D. Bailey has retired as general agent for the Insurance Company of North America, and will engage in the brokerage business with his son. He had been identified with fire underwriting on the Pacific Coast for twenty-three years.

Mr. Zeno M. Host, who was formerly Insurance Commissioner of Wisconsin, has retired from his connection with the United States Annuity and Life of Chicago, for which company he has been doing development work for the past two years.

Mr. Henry V. Ogden, for many years resident secretary at New Orleans for the Liverpool and London and Globe, died at Milwaukee September 1, aged eighty-eight years.

Casualty and Surety Insurance.

About forty **agents of the Empire State Surety Company** from all parts of the country met in the first annual agency convention at the home office of the company in this city Friday and Saturday of this week. Business sessions were held twice each day, at which addresses were made by President W. M. Tomlins, Jr.; vice presidents W. J. Moore and R. S. Keelor, Secretary Gilbert Congdon and assistant secretaries E. D. Livingston and E. A. Tallman. General discussions of important topics were indulged in. Friday the agents lunched at the Underwriters' Club, dined at Murray's, and attended the Hippodrome at night, and Saturday's program included lunch at the Underwriters' Club, dinner at Martin's, and the evening performance at the Herald Square Theatre. The Empire State has made a desirable record, is now in a position to handle about 50 per cent. more business at slight additional cost, and is out to get it.

The recent changes in the New York laws as to the licensing of drivers of automobles does not affect the coverage of **automobile liability or damage policies** in cases of accidents while cars are being driven by other than a licensed chauffeur. When either a licensed or an unlicensed driver is using the car for his or her own pleasure, however, and not at the request or for the benefit of the assured, then any liability for injury to others is the liability of the driver, and not of the assured, and as such is not covered by the policy. The coverage is not affected, however, by the fact that an accident happens or a liability is incurred while any law of the State regarding automobiles is being violated. "Joy rides" are covered as to property damage, but not as to liability. Automobile policies do not cover while a car is being driven in a speed contest on a regular track. Impromptu road races are not barred.

In striking contrast to the record of this country is the report of the British Board of Trade of **railway accidents of the United Kingdom** during the year 1909. As set forth in the report in question, which has just been made public, only one passenger lost his life in an accident to a train in which he was traveling—the first case of this character in over twenty years, the report says. Last year, 390 passengers were injured while traveling on British trains. By accidents to trains one passenger in every 1,264,800,000 carried on the several railroads of the United Kingdom was killed last year, and one injured in every 3,200,000. The number of railway employees killed and injured by accidents to trains last year were 16 and 129, respectively.

The **cotton bills of lading** situation is still unsettled. English bankers refuse to accept the railroad validation certificates, and demand American bankers' guarantees. The American bankers believe the law will not permit this, and in their

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ultimatum invite an English banking committee to visit this side and examine the data and look over the situation. The attitude of the American bankers is the same as that of the English bankers with respect to bills of lading originating in Europe. Thus there may still be an opening for the surety companies to participate in the guaranteeing.

The committee of the International Association of Accident Underwriters on **phraseology of the proposed standard form** of accident policy, headed by President Fibel, of the Great Eastern Casualty, met in conference with Insurance Superintendent Hotchkiss, of New York, and Commissioner Hardison, of Massachusetts, Thursday, and the new provisions for accident and health policies were discussed further. The committee will present its report to the association at Bretton Woods next week.

Applications to organize the following **new national banks** have been approved by the Comptroller of the Currency: The First National Bank of Pelham, Georgia, capital $40,000, and the Home National Bank of Longton, Kansas, capital $25,000. Certificates have been issued authorizing the La Rue National Bank of Hodgenville, Kentucky, capital $25,000; the First National Bank of Paso Robles, California, $25,000; the First National Bank of Fort Stockton, Texas, capital $25,000, to begin business.

Liability underwriters expect that the **new workmen's compensation law** of New York will be **before the courts** by November. Accidents have already occurred in some of the dangerous occupations covered by the law, and it is expected that an agreed case will be arranged, and the constitutionality of the measure tested. It is held that the question of legality hinges largely upon the reasonableness of the classification of hazardous occupations made by the law, and that this is open to attack.

The **committee on "frills"** in accident policies met again at Hartford this week, and will report at the Bretton Woods convention that progress has been made toward securing unanimous approval of the elimination of the expensive and undesirable features of accident and health policies. The committee will ask to be continued. It is understood that three or four companies have not as yet signed the agreement to eliminate the features already described in this paper.

The **Surety Association of America** held a two days' session at the Waldorf-Astoria this week at which a number of minor matters were disposed of, also some not so minor. Two infractions of the rules were taken care of, after considerable discussion, by the adoption of a "Go thou and do likewise" policy toward the others in the association, who are now privileged to commit the same violations if they see fit without fear of discipline.

An **agreement** has at last been reached **on automobile rates,** which will end the ruinous competition prevalent in some localities of late. On September 15 new rates were promulgated by which a minimum rate of 2 per cent. is established with maximum of $4—the latter applying to steam cars. For private garage warranty 25 per cent. reduction is made instead of 50 as formerly. All companies are included in the agreement.

The **figures for New York State cities** were hurriedly ascertained at the United States Census Bureau this week for the benefit of the New York excise department. Some of the increases reported changed the class of the cities affected, and increased the amount to be charged for the new liquor tax certificates to be issued October 1. These changes also affected the excise bonds in such cases by increasing the liability.

The Travelers is defending an action brought by Ingle A. Morris, of Columbus, Ohio, who seeks to force the company to accept a renewal of his **accident policy.** He contends that he has a valuable **property right** in the accumulations on the policy which have now reached the maximum of 50 per cent. additional. A temporary injunction has been granted restraining the company from cancelling.

Following the visit of H. H. Stryker, manager of the reinsurance bureau of the Surety Association of America, to San Francisco, the **surety troubles** in that city have been **adjusted.** All the companies have signed an agreement to observe the schedule of the Towner rating bureau, although several specific agreements executed during March quoting lower rates are not to be disturbed at present.

Three hundred agents of the **Travelers** from all parts of the country are on a four days' **outing at Frontenac** as guests of the company. Their attendance was based on the production of a certain amount of business. Many subjects of interest were discussed, and the entertainment features are being enjoyed to the utmost. President Dunham and Vice President Smith are present.

The appointment of H. M. Ferres, who has been in charge of the casualty department of the **United States Fidelity and Guaranty** at the Chicago branch, as manager for the casualty lines in the Northwestern department, including Washington, Oregon and Idaho, with headquarters at Tacoma, is announced.

The **fight to collect** $100,000 of accident **insurance** held by the late Ira G. Rawn, president of the Monon Railroad, is under way. J. F. Daumann, Jr., counsel for the Maryland Casualty, will represent all the interested companies. The companies contend that Rawn committed suicide.

Employers' liability rates in Minnesota have been advanced to practically the new rates charged in New York State on account of the bad loss experience of companies in that State. Commissions are to be limited to 25 per cent. for general agents, and 15 per cent. for brokers.

The **Pacific Coast Casualty** has been **admitted to New Jersey** for casualty and surety lines. Northern New Jersey will be managed by Whilden & Hancock, while the southern portion of the State will be handled by Stokes & Packard, of Philadelphia.

The **Guarantee Surety and Casualty Company of Kansas City** has been taken over by the Missouri Fidelity and Casualty of Springfield, Mo., through an exchange of stock.

In the future Assistant Secretary Brainerd, manager of the **Ætna Indemnity** fidelity department, will also handle the public **official bonding business** of the company.

Another attempt to reorganize the **Enterprise Casualty** will be made on September 29. Less than a quorum attended the meeting called for September 8.

The **Consolidated Casualty** has been **admitted to Pennsylvania.**

The **Illinois Surety** has applied for admission to Massachusetts.

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Obituary.

Marshall Sylvanus Driggs.

The death of Marshall Sylvanus Driggs, president of the Williamsburgh City Fire insurance company and one of the best known of New York insurance men, occurred unexpectedly at his summer home at New Canaan, Conn., shortly before midnight on Wednesday. He had been at his office as usual during the day, leaving at 4 o'clock in apparently usual health except for what seemed to be a slight cold. Although a physician was summoned soon after his arrival home he sank rapidly, and his death resulted from œdema of the lungs.

Mr. Driggs was born in this city on January 9, 1834. He was educated by private tutors and at the George Payne Quackenbos High School and the Redding (Conn.) Institute. His first place was that of a policy clerk in the Williamsburgh City insurance company, which his father founded and at that time headed. He was promoted to an assistant secretaryship in 1857.

In the same year he married Miss Mary E. Sanford, daughter of Judge Henry Sanford, of Connecticut; resigned his place with the insurance company and entered the warehouse business, in which he remained until the death of his father, on July 31, 1889.

Mr. Driggs was then elected president of the Williamsburgh company. He was a director of the First National Bank of Brooklyn, the Williamsburgh Trust Company, the Broadway Trust Company, and the National Surety Company and the Casualty Company of America. Among his clubs were the Lawyers', the Underwriters' and the Country Club of New Canaan.

He was made vice president of the New York Board of Fire Underwriters in 1900 and 1901, and was president in 1902 and 1903. Up to the time of his death he had been a fixture on the finance committee of the board. He was also active in his service to the New York Fire Insurance Exchange and also to the National Association of Fire Underwriters.

Mr. Driggs' wife died about a year after their marriage. His city home was at No. 279 Washington avenue, Brooklyn.

The funeral services were held at his home in New Canaan, Conn., Friday afternoon, and the interment, which was private, was at Redding Ridge, Conn.

Miscellany.

Western Union Meeting—Proceedings of Thirty-first Annual Gathering.

The thirty-first annual meeting of the Western Union opened its session at Frontenac, N. Y., on Wednesday of this week, with President J. H. Lenehan, of Chicago, in the chair. In his annual address President Lenehan cordially approved of the work of the committee on publicity and education, of which P. D. McGregor has recently been made chairman, and dwelt on the demand from the State departments as well as the companies for a reduction in expenses. This latter matter was referred to a special committee, which reported later in the session.

The report of the governing committee, presented by Chairman Walter H. Sage, noted the numerous changes of an evolutionary character that are taking place in business, largely due to the legislation looking toward State regulation of rates. No recommendation for change was made in the relief rule.

The engineering department reported that ten towns had been investigated as to their water supply since the April meeting, and that improvements are now under way.

The governing committee's report devoted considerable attention to the very encouraging indication found in the rapidly increasing public and official interest in the enormous preventable fire waste of the country. The report recommended a reduction in the charge for night work from 25 per cent. to 10 per cent., as the adequate measure of the hazard under modern conditions of lighting.

At the afternoon session the chief topic was the Minnesota clear space clause, which has been largely invalidated by recent Supreme Court decisions.

The chief interest in the session lay in the discussions on sprinklered business and legislation. On sprinklered business it was decided to increase the force of inspectors and make more frequent inspections of equipped risks and those about to be equipped. It was held that this would more adequately meet the competition of the mutuals, and would also handle the internal competition among the companies maintaining equipped risk departments of their own, those being organized chiefly because of the desire for advance information. The question of legislation was discussed at length, and the union will follow out the recommendation of President Lenehan and prepare itself to meet the demand for State regulation of rates. It was decided that the Union rules are not applicable to marine and transportation policies covering automobile floaters, and that the union will not exercise any jurisdiction over commissions on automobile business. The special committee of publicity and education recommended that the work be continued and pushed more actively.

The election of officers at the conclusion of the meeting resulted as follows:

President, Fred S. James, Western manager of the National of Hartford; vice president, John H. Stoddart, of the New York Underwriters; secretary, H. N. Kelsey, Western manager of the Sun of London. The next session will be held at the New Willard in Washington, D. C., next April.

International Claim Association.

The International Claim Association held its first annual convention in Atlantic City, at Hotel Marlborough-Blenheim, September 7-10. It was called to order Thursday morning by President Julian S. Eaton, with twenty-seven companies represented by thirty-eight delegates.

Thirteen papers were presented by the following members:

J. S. Eaton, Hartford, chief adjuster Travelers. Address.

F. S. Dewey, Detroit, secretary National Casualty. "Relation of Agency to Claims Departments."

F. J. Canty, Chicago, general attorney London Guarantee and Accident. "The Result of Litigation in Personal Accident Cases."

Dr. F. H. Field, New York, medical director Ocean Accident and Guarantee. "Appendicitis Under Accident and Health Policies."

E. W. Frain, Philadelphia, manager claims department, American Assurance. "Reduction of Indemnities During First Six Months of Policy."

P. B. Eyler, Hartford, chief adjuster Ætna Life. "The Adjuster."

F. Leroy Templeman, Baltimore, examiner accident claims, Maryland Casualty. "Co-operation Between Claims Departments."

Dr. C. M. Taylor, Columbus, supreme surgeon the Order of United Commercial Travelers of America. "Infection."

Frank E. Pilcher, Detroit, medical director National Casualty. "Do We Have Traumatic Appendicitis?"

Morton E. Wildy, Des Moines, superintendent claims department, Bankers Accident. "The Accident Is the Sole and Independent Cause."

Dr. W. Edward MaGruder, Baltimore, examiner and adjuster for accident companies. "Traumatic Pneumonia."

Dr. W. L. Gahagan, New York, medical director United States Casualty. "Hernia in Its Relation to Accident Insurance."

William W. Smithers, Philadelphia, attorney for insurance companies. "The Elimination of the Unintended Risk in Accident Insurance."

R. Perry Short, Saginaw, general counsel United States Health and Accident. "Legal Rule for Accident Claim Adjusters."

The papers, as indicated by their titles, were of unusual interest, and with the discussions which followed necessitated a morning

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and afternoon session on Wednesday, three sessions on Thursday, including one night session, and two sessions on Friday.

The following officers were elected for the ensuing year: President, Dr. W. L. Gahogan, medical director United States Casualty; vice president, R. A. Cavanaugh, secretary and treasurer Illinois Commercial Men's Association, Chicago; secretary, H. H. Vaux, manager personal accident department General Accident Assurance Corporation, Philadelphia; treasurer, F. LeRoy Templeman, examiner of claims Maryland Casualty, Baltimore.

Executive Committee—Chairman, L. E. Brown, superintendent claim department Continental Casualty; P. B. Eyler, chief adjuster Ætna Life; F. J. Canty, Chicago, general counsel London Guarantee and Accident; Dr. C. M. Taylor, chief surgeon Order of United Commercial Travelers, Columbus, Ohio; J. S. Eaton, chief adjuster Travelers.

Fire Insurance Rates in Oregon.

A communication has been received from Insurance Commissioner Sam A. Kozer of Oregon, to whose views on insurance rates in that State allusion was made in an editorial paragraph in this paper of July 27. The text of Mr. Kozer's letter to THE WEEKLY UNDERWRITER is as follows:

In the issue of THE WEEKLY UNDERWRITER of August 27, 1910, you reprint a portion of a statement by me relative to the rates charged for fire insurance in Oregon, appearing in a recent issue of the *Underwriters' Report* published at San Francisco, which latter publication was made from the original interview appearing in the Portland *Oregonian*, of August 8, 1910.

I cannot make exception to the comment contained in either of the insurance publications based upon the article as appearing in the *Oregonian*, but by virtue of a portion of the original article, as prepared for the *Oregonian*, being omitted by someone between the time it left my hands and the time it appeared in print, I feel that my attitude in regard to this important question has been misrepresented, and in order that you may be in possession of all of the facts, enclose a copy of the statement as it left my hands, the portion not appearing in the original print being underscored.

Notwithstanding the fact, however, that the expense of transacting business may be greater in the West Coast States than in any other section of the country, I am not convinced that it is so much so, particularly in Oregon, as to require such a high average charge, in proportion to the low loss ratio sustained. The expense of doing business in either of the States of California, Washington or Idaho is not less than in Oregon, yet in each of these States there prevails a much higher loss ratio based on the same experience as that on which the average for Oregon has been derived.

I believe the trend of the insurance companies is toward a proper equalization of the charge, as the figures quoted in my statement will indicate, and that in due time the necessary adjustment will be made.

I wish to express to you my appreciation of the very courteous and considerate manner in which you commented upon the statement.

Very respectfully,

S. K. KOZER, Insurance Commissioner.

Space to reproduce Commissioner Kozer's statement in full is not available at this time, but after giving figures to show the extent of fire insurance business in Oregon during 1909, he says (the omitted section referred to being in brackets and the other sections being those not previously published in this paper):

Fire insurance policies in force December 31, 1909, aggregated $225,000,000, while the assessed value of the insurable property in Oregon, including railroad bed and rights of way and rolling stock, telegraph and telephone lines, manufacturing machinery, merchandise and stocks in trade, farming implements and household furniture, as made by the assessors March 1, 1909, amounted to but $200,000,000.

The total of the amounts paid for insurance, after deducting the amount paid for losses and premiums returned, appears to be quite a large sum, which the property owners in the State have been required to contribute during the year for protection against loss of their property by fire, and undoubtedly is, when we compare it with the results in other States. In the Pacific Coast States, on an experience covering a period of twenty-six years, the following average rate per $100 of insurance and loss ratio to premiums received is shown: Arizona, rate $2.53, loss ratio 55.6 per cent.; California, rate $1.62, loss ratio 90 per cent.; Idaho, rate $2.35, loss ratio 51.3 per cent.; Montana, rate $2.19, loss ratio 38.7 per cent.; Nevada, rate $2.55, loss ratio 39.5 per cent.; Oregon, rate $2.15, loss ratio 39.8 per cent.; Washington, rate $1.97, loss ratio 47 per cent.

It will be noted from an examination of the foregoing that while the average rate for the State is fifth from the highest of the eight States referred to, its loss ratio is third in point of being lowest, the other two States running less by only three-tenths of 1 per cent. in one instance and one and one-tenth per cent. in the other case.

[If we extend our comparisons to the older and more thickly populated States of the Central West, we find that our loss ratio in Oregon is below the average generally prevailing, and that the average rate charged is much higher, as appears from the following: Arkansas, rate per $100 of insurance $1.89, loss ratio to premium received 58.6 per cent.; Illinois, rate $1.17, loss ratio 47.4 per cent.; Indiana, rate $1.21, loss ratio 53.1 per cent.; Iowa, rate $1.64, loss ratio 41.2 per cent.; Kansas, rate $1.29, loss ratio 51 per cent.; Kentucky, rate $1.33, loss ratio 56.2 per cent.; Michigan, rate $1.30, loss ratio 52.2 per cent.; Minnesota, rate $1.44, loss ratio 55.1 per cent.; Missouri, rate $1.13, loss ratio 56.9 per cent.; Nebraska, rate $1.40, loss ratio 43.7. per cent.

Carrying our comparisons to the Atlantic Coast States, and where a supposedly more ideal condition exists from the fire underwriter's point of view, we find that where the loss ratio is practically the same as that existing in the Central Western States the average rate is much less, as the following will serve to illustrate: Connecticut, average rate per $100 of insurance, 95 cents, loss ratio to premiums received, 45.8 per cent.; Delaware, rate 70 cents, loss ratio 48.8 per cent.; District of Columbia, rate 63 cents, loss ratio 36 per cent.; Maine, rate $1.36, loss ratio 61.8 per cent.; Maryland, rate 81 cents, loss ratio 85.2 per cent.; Massachusetts, rate $1.03, loss ratio 52.1 per cent.; New Hampshire, rate $1.53, loss ratio 45.5 per cent.; New Jersey, rate 86 cents, loss ratio 48.9 per cent.; New York, rate 67 cents, loss ratio 54 per cent.; Pennsylvania, rate $1.11, loss ratio 53.9.] * *

The law enacted in 1909 prohibits compacts or combinations for the purpose of governing or controlling the rates charged for fire insurance within the State, and was undoubtedly intended as a direct rebuke to the Board of Underwriters of the Pacific of San Francisco, which body somewhat arbitrarily promulgated the rates for all the Pacific Coast States up to that time. The statute, however, as now in force, permits the general agents of companies doing business in the State to form a surveyor's bureau for the purpose of promulgating fair and equitable rates on the insurable property in the State, which rates are required to be sold to any person who may desire to purchase them. The general agents of some eighteen or twenty of the fifty-eight companies operating in the State at the time formed a bureau as provided by law immediately upon the new act becoming effective, which bureau since that time has been engaged in resurveying and rerating the different cities and towns of the State, having first promulgated as a basis the rates as enforced by the Board of Underwriters of the Pacific.

The result of the enactment of the law requiring the rates to be "home made" is, indeed, apparent, for the average rate has been reduced from $2.14 for the year 1908 to $1.70 per $100 of insurance for the year 1909, and it is to be hoped that further reductions will be speedily made by the rating bureau in order that the rates as charged in Oregon may be proportionate with the rates which are charged in other States where similar conditions exist.

[The commercial bodies of the different cities and towns of the State, it occurs to me, can do much to bring about a proper adjustment of this very important matter, for our property holders, by taking up the subject with the rating bureau, acquainting themselves with the manner in which rates are determined, and cooperating with such bureau, yet insisting that their respective cities and towns shall have corresponding reductions in the rates which they shall be charged for the protection desired from loss by fire in proportion as they have provided for the safeguarding of their property from loss from such cause.]

It must not be expected, however, that as low a rate can prevail in Oregon as prevails in many of the Eastern and older and more thickly populated States, for the general conditions here as regards building construction, fire protection and expenses of transacting business are vastly different. [But what is desired is that Oregon shall not be required to pay a higher proportionate rate for her indemnity against loss by fire than is necessary, and then only in proportion as her loss ratio bears to the whole country, after due consideration of local conditions and the consideration of local conditions and the consequent charges on account of deficiencies. She is justly entitled to this and no more], and I hope our citizens will take sufficient interest in the matter to assure themselves that they are paying only a just and equitable rate for the needed protection.

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NATIONAL ASSOCIATION OF LOCAL FIRE INSURANCE AGENTS.

Fifteenth Annual Convention at Chicago, September 12 to 14.

(*Special Report.*)

CHICAGO, Ill., September 15.—The fifteenth annual meeting of the National Association of Local Fire Insurance Agents opened its first session in the convention hall of the new Hotel La Salle Monday afternoon, with an attendance of nearly 300, of whom probably 200 were delegates.

A particularly fine welcome was extended by Homer A. Stillwell, president of the Chicago Association of Commerce, the speaker showing a good grasp of the situation in fire insurance and a sympathetic understanding of the companies' troubles as to State interference in rate making.

The response was made by F. G. Lumpkin, of Columbus, Ga., who gracefully thanked the previous speaker for his unusual remarks.

A resolution was adopted providing for the appointment of a committee on resolutions, all resolutions to be debated on the floor, if desired, and subject to the limitations of the program and the decision of the president. Debates on resolutions to be limited to five minutes.

A resolution was also adopted seeking the appointment of a committee of three to so revise the constitution and bylaws as to incorporate all changes since last revision.

In his address President Fred Guenther urged the importance of an increased membership. He said:

ADDRESS OF PRESIDENT GUENTHER.

In the month of September, in the year 1896, there gathered in this city of Chicago a small but determined band of men who laid the foundation for the structure known as the "National Association of Local Fire Insurance Agents." Today we are celebrating our fifteenth anniversary.

At the last convention, held in Atlantic City, I was honored by being elected your president, and I have given the association my best efforts. I realize that in order to be a power for good, this association must have the support of the large body of agents, for the power and strength of any organization depends almost entirely on its members, and during my official year my chief desire has been that the membership might increase.

In a country like ours where conditions are so diverse and where no single application will apply to all, you can readily understand how, in order to get up a common interest and a united effort, it is necessary for each section to be approached, in order that each may feel that its own interests are being considered, and that the organization's intentions are to better them. In letters sent out during the year we have appealed to the officials of the various State organizations, recognizing the fact that in order to be successful in increasing our membership we must have their enthusiastic support. I have been gratified by the splendid work done by the chairman of the committee on organization. In his report to you he will give in detail the result of his year's work, and whether or not he was successful in increasing the membership of this association, he certainly made every effort and is entitled to your commendation. There are many subjects that should receive your careful attention during this session, but I am convinced that no single subject is of so great importance as that of increase in our membership.

RELATIONS WITH COMPANIES.

My own observations have led me to believe that the companies and the managers are to a large extent in sympathy with our cause and are desirous of co-operating with us in all things tending to our mutual welfare and benefit. It is true, perhaps, that when the organization started fifteen years ago, the idea of a local agents' association was not well received by the majority of managers and they may have had reasons for questioning the feasibility of such a body, but the founders being satisfied that in time their object would be better understood by the managers, worked on, and today, after an experience of fifteen years, it is safe to say that a large majority of the managers have recognized the organization as a power for good.

RELATIONS WITH STATE ORGANIZATIONS.

While it is to be regretted that the national body has not received the support it should from some of the States, I do not attribute this lack of support entirely to indifference on the part of the agents of these States, but to the fact that up to this time they have not appreciated the benefits the national association aims to give. But there is one thing sure—if the national association will continue to work along the lines laid out, and if the men who are now in sympathy with the proposition, and who are giving it their financial and moral aid, will continue to do so, the time will come, we believe, when even the States that are now indifferent will recognize the virtue of the organization and give it their support. We do not believe there is any reason for discouragement. We may be disappointed, but the men who make up the bone and sinew of this organization will never give up. It must be conceded that the success of the State organizations depends largely on the officials, and if these men are not sufficiently enthusiastic to make a sacrifice of time and money in the common interest, there will be no forward movement. In every State men can be found who are enthusiastic enough, and who have faith enough in these organizations for the good they will do them, to give their time and money toward making them successful, and in the success of the State organizations lies the success of the national body. If I were making any comment today on the order of exercises of the national meetings, I would devote one part of it to a discussion of how best to increase the membership, and I would like to hear a discussion so earnest that every delegate who attended the meeting would feel that the success of the meeting depended somewhat on him.

BULLETIN ADVERTISING.

At the midwinter conference it was decided to open the columns of the *Bulletin* to fire companies whose names appear on the co-operating list. Our secretary advises me that these companies have been supplied with schedule rates, and their ads solicited on a strictly business basis. About $1,500 worth of space has been purchased, which sum has come in very handy in view of the action of some of our State associations, for we unquestionably would have come short in our accounts had it not been for this additional income. This meeting should now determine whether this class of advertising shall be continued or not, as the midwinter conference decided to try it and see if the *Bulletin's* position was in any way affected as an agents' paper. Thus far I am inclined to believe that it has not been affected except for the better.

At the meeting of the Pennsylvania State Association, held at Scranton, June 13 and 14 of this year, the following resolution was adopted:

> That we, the Pennsylvania State Association of Local Fire Insurance Agents, do hereby protest to the National Association against the manner in which the working capital fund, which is raised for specific purposes, was expended, and that a copy of this resolution be mailed to both the president and the secretary of said National Association, and the matter be taken up by our delegates at the next National Association meeting.

What the exact grounds of protest contained in the above resolution are I do not know. I therefore deemed it best to incorporate the resolution in this paper, and trust that a full discussion of the matter may be had at this meeting.

Naturally the work of the secretary has increased, and he has been given authority by the executive committee to add to his office force, and I am satisfied no expense has been incurred in conducting the office of secretary and treasurer which conditions would not warrant or which would not be approved by the executive committee. It is not in my province to detail the work done by the secretary and treasurer. His report will be presented to you in due time. I believe he has been conscientious and faithful in the discharge of his duties.

The report of Chairman Neale, of the joint conference committee on trust lines and brokers, and that of Chairman Hildreth, of the uniform blank committee, will be presented in due course, but I wish to take this opportunity of stating that these gentlemen are deserving of the highest commendation for the able manner in which they have carried on their particular work.

At the last convention the legislative committee was instructed to draft an anti-rebate law and to submit copies thereof

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to the various State associations. This was done, so that the movement toward the adoption of these laws has been greatly stimulated.

One of the questions being agitated at the present time is the one of expense in the insurance business, and because of the general interest manifested it has been given a prominent place on the program, and no doubt the subject will be thoroughly discussed at this meeting.

In conclusion I wish to express to my associates my highest regard for the manner in which they have conducted their several offices, and to bespeak for our association a continued success in the great work in which it is engaged, and to hold everlastingly to our motto, "To Support Right Principles and Oppose Bad Practices in Fire Underwriting."

Chairman W. E. Metzger, of Nashville, Tenn., read the report of the executive committee, which was referred to the committee on resolutions. The report was as follows:

REPORT OF EXECUTIVE COMMITTEE.

The annual report of the executive committee was presented by Chairman W. E. Metzger, and covered many important topics. After stating that the year had been a very busy one for company managers, owing to the public demand for reduction of expenses, the movement for State regulation of rates, the agents' demand for higher compensation, and the interior struggle to care for large values in congested districts, which provided many delicate questions for the committee to dispose of, the report spoke at length of the "troublesome and ancient" question of

WHISKEY INSURANCE.

Your committee were surprised to learn that this business in Kentucky was written in many of the large cities of this country as well as Europe, where the ownership of the property was held, and at this time of the reduction of expenses were even more surprised to learn that many companies with loyal Kentucky agents were writing this whiskey insurance in warehouses located in Kentucky through their New York and other agencies, and paying brokers a commission of 30 and 35 per cent., and, of course, the usual overwriting commission to the agent writing the business of 10 per cent., and at the same time their companies were limiting the Kentucky agents resident where the property was located to 15 per cent. commission.

It had been charged that Cincinnati agents and brokers were the greatest offenders in handling this business; that they would load their own companies with all they could write at a high rate of commission, and place excess with New York brokers in non-authorized companies.

The manager of a large company openly made this charge to your committee, but we beg to advise that a thorough investigation was made, seeking to substantiate or disprove this charge. Kentucky agents were urged to submit proof. Cincinnati agents were present in force to meet the charge, and your committee begs to report that the charge against the Cincinnati agents and brokers was not sustained. The result of this meeting was a circular letter to the co-operating companies advising them "that insurance on whiskey was to be considered within the overhead writing rules of the National Association, and that the territory of local agents should be recognized in the writing of these lines. In respect to commissions, it was the sense of the meeting and the committee that the companies should observe the rule of payment to all agents, resident or non-resident, controlling the lines, the rate of commission applicable to the agents at the point where the risks are located."

Replies favorable to the view taken by your committee have been received from a large majority of the companies, and a great many of them have seized the opportunity of expressing their appreciation of the efforts of the association in correcting this long standing abuse.

Several companies urged your committee to endeavor to secure certain reforms in the underwriting of this business, particularly to break up the issuance of duplicate and triplicate binding slips in the handling of the business. Your committee replied to such companies that we had enough troubles of our own in correcting the abuse from the agents' standpoint without undertaking to do underwriting for the companies.

Several managers have questioned the right of your committee to insist on the companies respecting the territorial rights of agents, and stated that the Kentucky agents themselves had agreed on the concurrent jurisdiction for this class of business. On investigation your committee found that at one time this was true, but at a later date the concurrent jurisdiction question had been repealed.

Other companies urge that inasmuch as they have no agents in Kentucky it becomes no violation, so far as they are concerned, and that they are breaking no rule in accepting this buiness on any terms upon which they could secure same. Your committee have dissented from this construction of the rule, and have held that the agent controlling the business under the association definition must write or place same in full compliance with local rules, practices and commissions.

Other companies insist that the association ought to go after agents who are placing this business in New York in non-authorized companies, and by getting at the foundation of the trouble could get better results than by dictating to the companies.

To this your committee replied that from the response we are getting from the companies we were of the opinion that our present plan was worth a thorough trial before trying any other method. We did agree with these companies that if they were correct in their charges made against certain Cincinnati agents and brokers that such a practice certainly was dishonorable, and that your committee did not insist upon one standard for the companies, to which they must all conform, and no standard for the local agent, and that if the managers making the charge would furnish your committee with the full details of any

DISHONORABLE PRACTICES

that said Cincinnati agents were guilty of, that your committee would see that the matter was referred to the grievance committee at once, and if the Cincinnati agents were found to be guilty, that their names would be stricken from the rolls of the National Association, and we would insist upon their companies disciplining such agents, but up to this date the information has not been furnished your committee.

Early in July complaint was made by the manager of one of the leading companies who had pledged his support to the views of the committee handling this business, that he was losing his business, and to companies on the co-operating list. This charge resulted in the following circular:

Complaint has been made to the National Association that some companies on the co-operating list are writing insurance on whiskey in Kentucky, Tennessee and elsewhere over the heads of their local agents. The executive committee is canvassing the companies with a view of securing their co-operation. The National Association has never recognized any exception from its overhead writing principles, except in the case of steam railroad schedules, written on the syndicate plan. We publish a list of co-operating companies, and upon the request of Chairman Metzger, of the executive committee, ask that any local agent or co-operating company having knowledge of overhead writing by any company on the list promptly advise the National Association of the facts. At the same time the executive committee would like information in regard to any member of the National Association, or in fact of any agent, whether a member or not, who is encouraging or upholding the practice of overhead writing.

It would be impossible to give all of the interesting details in connection with this investigation in this brief report, but territorial jurisdiction is one question that your committee believes should have serious consideration at this annual meeting. Your committee believes that there is no better solution than the

RECOMMENDATION BY PRESIDENT ROBINSON

in his annual report at Denver in 1906, which we herewith submit in full:

As at present construed, the overhead writing rule holds that all business shall be written by the companies' agent at the point where the risk is located. But what of the company that has no representative at the place where such risk is located? Technically it would not be in violation of the rule as now understood for such company to write, nor would we reasonably expect to make legislation that would prevent such company, or its agent, from writing desirable business of this character. But in the interest of proper practice and a liberal construction of the principles underlying this rule the company might decline such offerings, until the writing of all represented companies had been exhausted, with reasonable expectation of receiving similar treatment when conditions are reversed. On the other hand, I deem it within the province of this association to amend or so construce the present rules to mean that such practice comes under the head of overhead writing by agents, unless all the companies in the territory where the risk is located have been filled, and recommend its further consideration from this standpoint.

The support your committee is receiving in this investigation from the many strong agency companies justifies the belief that if the association ratifies the action of your committee and strengthens their hands by suitable legislation this troublesome question can be satisfactorily disposed of and at an early date, but the association should also authorize the executive committee to discipline an offending agent just as they are now authorized to strike the name of the offending company from the "co-operating list."

The report deprecated the practice of certain companies which reach out for increased volume of preferred business by placing agencies with banking institutions, loan agents and building and loan secretaries, who are nearly always without experience. In

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answer to frequent complaints the committee has replied that it is without power to afford relief. On the subject of

AGENTS' EXPIRATIONS

the report says:

The successful efforts of the grievance committee in correcting the violation of this National Association rule by several companies at Monticello, Ark., where the new agent was permitted to solicit the expirations of the former agent is a subject of congratulation.

Another important ruling in this connection was made at Nashville, Tenn., where three companies tried to secure an order from the United States Federal court for the registers and expirations held by their former agent. The counsel for the defendant prepared a brief based on the Yonkers case, and the Federal Court ruled with that decision, and held that the books and expirations were the property of the former agent, and dismissed the petition of the company. This decision is valuable in view of the fact that it is a Federal Court case.

At the meeting held in Cleveland in December your committee ruled that the association would not deem a company in violation of its pledge when it looked to the value of the expiration to protect itself from an unpaid agency balance, which was in jeopardy, and that in such case the National Association would deny relief to any member complaining of such action by a company on the co-operating list.

The executive committee was influential in assisting Insurance Commissioner Folk of Tennessee in his campaign against

INDIVIDUAL UNDERWRITERS,

Lloyds and other unauthorized companies, in which the Tennessee courts helped by a decision that such institutions were insurance companies within the meaning of the law, and all of these organizations which failed to comply with the laws were ousted from the State. The committee has furnished copies of the proceedings in Tennessee to other States, in which attempts will be made to enact the Tennessee statute. Continuing on this subject the report says:

It is gratifying to know that Commissioner Hotchkiss is right in line in this particular, and has succeeded in bringing under the control and supervision of the New York Insurance Department all of the Lloyds and other individual underwriters engaged in such business in that State. This is a movement in the right direction, and the committee recommends that the associations in all the States make similar efforts to break up this widespread abuse.

After giving a brief history of the formation of the

CO-OPERATING LIST

the report states that there are at present a total of 188 companies on it, the additions during the year being the Capitol Fire, the Northwestern Underwriters, Standard, Monongahela, Massachusetts Fire and Marine and Scranton Fire. The report mentions the removal of the name of the Jefferson Fire of Philadelphia from the list for violations after charges preferred had been fully investigated and efforts had been made to correct the abuses complained of. The report urges strongly the importance of the loyalty on the part of agents toward the companies on the co-operating list.

The subject of advertisements in the *Agency Bulletin* is taken up as follows:

A manager of a co-operating company and warm supporter of the National Association makes charge that the columns of the *Bulletin* are used by certain agents and firms, who are engaged in cultivating excess lines and brokerage from their brother agents, but in fact are making a specialty of securing lines on large manufacturing plants and taking same away from the resident local agents in violation of territorial rights. He further charges that they are guilty of methods unprofessional and dishonorable in securing such business; that this class of agents, in some way or manner, secure reduction in rates by a misrepresentation of competition and often pay for improvement, which reduction serves the purpose of such agent in taking the business away from the local agent to whom it belongs. If these charges are true such agents are doing as much to undermine the agency system as the brokers in our large excepted cities.

This manager was correct in his statement that the National Association should not permit such agencies to use their membership in the National Association as a mask to conceal its operations or the columns of the *Bulletin* in calling attention of large insurers or enticing to their support unscrupulous agents, who are used by such firms in securing and caring for such business.

We recommend that the incoming executive committee be armed with the authority to investigate such charges, and if true to withhold the columns of the *Bulletin* from such agencies and strike the name of such offending member from the rolls of the National Association, giving publicity to their action in the *Bulletin* and insurance press.

The report closed with a word of appreciation for the work of Secretary Putnam, and with the note that the "threadbare charges of trade unionism" had been heard only from companies who had been asked to live up better to their pledges to the National Association.

After local committee announcements had been made, Secretary Putnam read the report of the grievance committee, owing to the unavoidable absence of Chairman J. H. Southgate.

The committee stated that the principle of overhead writing, though firmly established, is violated in numerous instances, particularly on whiskey insurance, with which the executive committee dealt at length. Other topics more specifically mentioned in the executive committee report were also touched upon. The committee stated that complaints are coming in from individuals, notwithstanding the rule adopted that complaints would be received only on appeal from State associations. It expressed the opinion that State associations should take care of these matters, although the National Association is probably better equipped to handle them expeditiously. The report suggested that permission to join the National Association as individuals be granted to those desiring who were already members of State associations, and pleaded for greater loyalty on the part of its members.

Prof. A. W. Whitney, of the University of California, was introduced, and read the following paper:

REMARKS BY PROF. A. W. WHITNEY.

I am going to be frank and tell you at once that I have come to Chicago to hear you talk and not to talk myself—any more than I have to. The only way this investigating committee can get to the bottom of what is wrong with the business of fire insurance—if there is something wrong with it—or to the bottom of what is not wrong—if there is not anything wrong with it—is to get all points of view. The business looks very different to the assured, the manager, the agent, the stockholder, the broker, the adjuster, the rater and the inspector; but no one of these is more closely in touch with the vital and difficult problem of the business than the local agent.

So when your secretary, Mr. Putnam, invited me to speak to you I felt that the chance to meet you and learn your point of view was worth having, even though I had to pay for it by doing some talking myself.

The number of things that I cannot say at this time, either from lack of knowledge or other obvious reasons, are in the majority; and I am not going to do anything that would be so tiresome at this time as to discuss some purely academic subject.

I think there are, however, a few things that may properly be said. In the first place, I can tell you what I understand to be the purpose of the New York investigation; it is, I conceive, to find out in as searching but fairminded a way as possible whether there are conditions in the business today which are sufficiently closely connected with the public welfare and which are so far from satisfactory control by the natural forces of business enterprise as to warrant the intervention of the State; if so, to try to devise proper legislation, if not so, to settle definitely that fact, and, as Mr. Merritt, the chairman, has said with regard to the ever recurring anti-compact bill, to "lay the ghost."

Now I am sure you know, and I know, that the committee will find plenty of serious problems and, that they will not be easy to solve.

Fire insurance is a curious business, full of seeming contradictions and anomalies from top to bottom; you, yourselves, illustrate one of these: you are called upon to act, first, in the interests of the assured; second, in the interests of not merely one company, but a number of sharply competitive companies, and, third, in the interest of yourselves. That is certainly a curious situation, and that you have reached as satisfactory a basis as

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you have in this diversity of interests speaks well for the character of the men in the business.

It is a business whose conceptions are difficult, and whose relations are subtle and far reaching. For instance, take a rate. What is a rate? Why, presumably, the measure of a hazard. And what is hazard? Well, there you are up against one of the most baffling conceptions in the world. Classifications and schedules are attempts to determine hazard, and you know the difficulties that abound in each. The subject of rate or hazard is founded on a paradox, and along with it goes another paradox concerning loss. Here they are: You must determine the rate or hazard before the fire takes place, and you must determine the loss after the evidence of what is lost is burned up.

And when, in this curious business, whose very elementary conceptions are so difficult, you come to problems of competition, combination and discrimination, it is not surprising that their causes and effects should be intricate and far reaching. It is no wonder that difficult questions arise.

And if solutions to these problems appear possible there is still the question whether they are the solutions that touch the situation most vitally. A true solution should not only cure a particular evil but set the machinery going smoothly all along the line and yet leave the system elastic, so that company and agents shall have every opportunity to develop individuality, and so that the business shall attract the best type of men. The State cannot afford to emasculate business enterprise. The best children and the best enterprises are developed not by saying "don't do this" and "don't do that," but by finding something positive that will make these prohibitions unnecessary.

One of the most fortunate facts in fire insurance is that remarkable interplay of advantage to both insurer and insured that comes from fire prevention. There was a time not many years ago when the companies felt that they were not concerned with preventing fires; that it was their business only to assess and collect and distribute the fire loss, regardless of what it might be. That era has passed, and it is to the credit of insurance managers, and particularly such men as Edward Atkinson, of the Boston Manufacturers Mutual, that insurance companies have been the leaders in the fight to prevent fires.

This is a perfectly natural economic development; it has grown out of inspection, and inspection is necessary for classification of risks. That is, it is an economic advantage to the insurer to be a conservationist and a preventer of fire, but in so doing he puts himself squarely on the side of the public good.

What a misfortune it would be if in attempting to limit expense, or to prevent discrimination, or to cure some other evil, there should be a dissociation of fire *insurance* and fire *prevention*, so that the insurer lost his interest in helping to save the world from burning up! As a matter of fact, there are laws or interpretations of laws that have had exactly this effect. No; we need to keep the wit and energy of insurance men on the side of conservation.

And so you cannot dispose of the expense problem so summarily by saying "cut down expenses." Expense must be analyzed. There is the expense of fire prevention and there is the expense of getting and doing the business. But even the expense of getting the business cannot be handled in the mass, for there must be a differentiation between the expense of pure competition, which has no economic value, and the expense that represents the care and thought of a capable agent.

I have referred to the curious nature of the business, and to the difficulty of the problems that present themselves. I do not know whether or not there are completely satisfactory solutions of these problems, but I do know one thing, and that is that the only way to dispose of them, if they can be disposed of, is to bring them into the light. Fire insurance has been a business that the public did not understand; it has been done in the dark, and in a mysterious way. These two facts stand related to each other, both as cause and effect, for the failure of the public to understand the business has led to bad legislation, and this in turn has driven the companies into secretive methods, which have helped to develop the evils of the business. There are plenty of signs today coming from inside and from outside the business that there must be greater publicity on the part of the companies and that the public must learn fire insurance. The people are learning life insurance, and they can learn fire insurance.

The American Indian, in order to get his living and keep his scalp, had to know every detail of woodcraft; the business man today must, for the same reasons, know all the details of his modern environment; he must know banking and insurance as the Indian knew the woods and streams; and just as the charm of the Indian's life was in his knowledge of the woods, so the game of business is worth while today, because there is so much to learn.

An investigation such as has been conducted in this State, and such as is about to be begun in New York, can do one thing, if nothing else, in bringing the insurer and insured to a position where there can be a mutual understanding. That it can do more than this I am convinced, too; but the foundation for all that can be done is publicity and education.

Following the announcements for special meetings of various committees and delegations the meeting adjourned to 11 o'clock Tuesday forenoon.

TUESDAY'S PROCEEDINGS.

Chairman Metzger, of the executive committee, presented a supplementary report stating that while collections in Indiana had been difficult, owing to the anti-trust laws, the Indiana delegates should have the privileges of the association, regardless of arrears in dues. A telegram of condolence was ordered sent to ex-President John C. North.

Chairman A. W. Neale then presented the report of the committee on trust lines and brokers.

REPORT ON TRUST LINES AND BROKERS.

This question was referred to our committee at the midwinter conference held at Cincinnati. Members all over the country were communicated with in order to secure their views, suggestions and assistance. At a meeting of the committee held in Chicago, July 6, jointly with the Western conference committee, the following statement and recommendations were adopted:

Whereas, It is a recognized fact that hundreds of thousands of dollars in premiums are being diverted from the agency companies and their agents by a certain class of brokers; it is our opinion that the time has arrived when the insurance interests of the country should be divided into two camps; that the agency companies, their agents and such brokers as subscribe to the principles of the National Association, should be on one side, and the broker companies and their brokers on the other side. We believe that no reputable fire insurance company would continue to be represented by an agent who is a follower of both camps. If an agent offered one-half of his business to cut rate companies, he would, undoubtedly, be invited by his agency companies to give them the other half also. We, therefore, recommend:

1. That our managers be requested to accept business only from such brokers as subscribe to the principles of the National Association as to their entire business. It is suggested that such persons or firms as subscribe to our principle and agree that their entire business shall be conducted in accordance therewith, be published in a list approved by the National Association through its proper committee, to be preferred by all agents in placing their surplus orders, and that the companies and managers be requested to help us to exclude from this list any brokers who do not fully observe our principles.

2. That our managers take such steps in regard to local rating and survey bureaus as will give our local agents as prompt and reliable information as can be obtained by brokers.

3. That we favor State surplus line laws authorizing agents to use non-admitted companies under proper restrictions, and with the payment of a reasonable tax on premiums; only after the capacity of admitted companies has been exhausted.

4. That we favor legislation in the several States taxing the assured not less than 10 per cent. on all premiums paid by them to non-admitted companies, associations or Lloyds for fire insurance.

5. That we favor State laws prohibiting admitted companies from reinsuring in non-admitted companies.

6. That we favor State laws prohibiting admitted companies from reinsuring non-admitted companies.

Since the adoption of these recommendations by the agent members of the committee we have been unable to secure a meeting with our manager members because of the press of important company matters, especially in the East during the past summer. Individual expressions from them, however, indicate their entire willingness to co-operate with us, so far as possible, along some such lines as have been outlined. We, therefore, recommend that our report be referred to the committee on resolutions of this convention, and by them adopted or modified, and, if it is the pleasure of the convention, referred to the incoming joint conference committee for further action.

Reports were presented from the committee on uniform blanks, which reported progress, and stated that it expected to be able to make final report next year, and the credit men's conference committee, to the effect that the International Credit Men's Association looked to the National Association to take the initial steps toward elevating agency representation. The report recommended the appointment of a special committee to consider measures to this end.

The debate on the expense feature followed, which was opened by George D. Markham.

GEORGE D. MARKHAM ON EXPENSE.

After reviewing the previous efforts of the local agents to secure a uniform compensation in the West and South, Mr. Markham cautioned the convention that it would be well to approach the subject of commissions in an impartial spirit,

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striving to see all sides of the question and determined to approve only that which promises a just and equitable settlement.

He went on to say:

Some modification in sweeping condemnation of present expenses should now be considered. There are certain activities paid for in the expense account which are entirely justifiable. Fire prevention work repays the public many times its cost. This function of insurance, preventive practice, promises to grow in value and complexity, and therefore will continually cost more. An extreme illustration, significant, if not wholly applicable, is the Hartford Steam Boiler Insurance Company, whose expense ratio is 83 per cent. for preventive work. Surely everyone would be glad to see that company prevent all boiler explosions and thereby never have a loss to pay.

Another function of the insurance companies which should develop in the future, both in value and in expense, is the statistical study of losses to assist in proper rating. As the doctrine of an equitable collection of the fire insurance tax continues to spread throughout the country, and one community after another adopts in practice, or by law, the principle that every man should pay his fair share to this fund without discount due to disorderly competition between companies or rebating between agents, the necessity for more scientific rating will be recognized, and increased expense for the statistical and rating machinery will be inevitable and acceptable.

NECESSARY FACTORS OF REFORM.

What principles should guide the insurance committee in the work for commission reform?

First—The changes must compensate the agents really serviceable to the business.

You all know the two types of agent. One merely grabs business without selection or conscience. He cuts rates, he rebates, he sneers at fire prevention work, he opposes his fellows in every constructive effort for the common good, he laughs at agents' associations and rests his future on the favor of his partner, the greedy agency manager, who cares not how the business is secured if there is plenty of it. Such an agent is a traitor to his community and profession, and his manager disgraces the high position entrusted to him. The right type of agent tries to serve his company and his community faithfully and to diminish the fire waste. He allies himself with his fellows to raise the standards of his business and to defend it against unfair legislative attack. Such agents win the esteem of their patrons, and, thank Heaven, they give the business a good name in spite of too many of the other kind of agents. For the public judges the insurance business by the agents, the only insurance men it really knows. In every State where agents are efficiently organized they have exerted a controlling influence on public opinion. The best interests of our business and the success of the proposed reform call for measures to check appointments of unfit agents and to stop multiple agency appointments. A concentration of agency powers would compensate for a reduction in commissions and would be a true economic advance.

Second—The public must get the benefit of the saving through reduced rates, concurrently with, or preferably, in advance of the reduction in commissions.

If this be not done, the promised increase in profit will only intensify that spirit of competition which is the real cause of high commissions. Even now rates are excessive, to judge by the proof usually accepted by economists, namely, the inflow of new capital into the business. The fact is, when insurance people suspend competition and institute united rating, they fail to realize that they must make rates on the lowest level consistent with preserving the business, or competitive pressure reappears in new companies or annexes to the old companies, and rising commissions result. And, really, hasn't it long been an amazing thing that the companies which prefer to do business on a low commission basis have permitted rates to stand at a level which invited less conservative competitors to bid away the business? A saving in expense is equivalent to an increased rate and would be followed by similar consequences.

But in the present temper of the public a still greater reason exists for safeguarding the commission reform by an antecedent lowering of rates. If the fear of legislation on commissions is real and not assumed, something more conspicuous than a petty saving of 2 per cent. out of 38 per cent. of expense ratio is needed. Rate reduction will do more than anything else to ward off State interference. We all agree that it is desirable to leave with the insurance officials, rather than with the State, the judgment as to what commission is properly payable on the large special hazard which begs for insurance or on the petty dwelling business which must be gleaned over miles of sun baked or wind swept roads; on the royal favors of heavy mercantile orders, or on the low rated, highly technical and much courted sprinklered risk. Let us all unite to keep the State out of the commission question.

Third—If wages must be cut, then let the whole staff share in the reduction.

This will be necessary to insure the co-operation of the agents, without which the reform will probably break down. Agents will submit and assist if the plan is fair, not otherwise. It means a sacrifice. Some large agencies, built up through years of effort by well organized groups of workers, may seem ultra-profitable, but close study will usually disclose that great companies congregate in such offices because of real safeguards to underwriting, and that the heavy patronage of a community is the reward of expert services rendered in insurance and fire prevention problems. The average agent is not overpaid. He has struggled against increasing demands for detailed services, while clerk hire and all office expenses have grown, and the headlong appointment of competitors has split up earnings. What the business really needs is fewer and better agents, not reduction in their pay. Now, if you want the agent to stand a cut in wages it must start at the top of the insurance staff, and be a "square deal."

I have voiced the skepticism of the agents who think that expenses will not be reduced until lower rates diminish the fever of competition for business, and have laid down the three essential principles which, it seems to me, must be followed if success is to be achieved in the movement to reduce agents' commissions. I now turn over this subject to the convention for discussion, knowing that this debate will demonstrate afresh to the insurance world and to the public that the kind of agent who cares enough for his profession to spend his own time and money travelling to a distant city for the common good, is always ready to examine with a kindly eye any proposition recommended as useful to our profession, and to honor men who are willing to lay aside their ease to battle for reform, even if we cannot agree with all of their proposals.

Mr. Louis Rauh, of Cincinnati, said he thought the question ought not to be debated, that it was too dangerous a topic, with no hope of harmonizing views, and he hoped the subject would be shelved. Others, however, were willing to discuss it. Suggestions were made to reduce the number of agents and extend the combinations in loss and inspection work; wipe out preferred rates, and multiple side line agents would disappear. "Insurance is no monopoly, and State interference cannot be supported on this argument," declared J. R. Murphy, of Buffalo. The discussion occupied all the morning sesssion, and was continued in the afternoon. Mr. Lumsford, of Roanoke, Va., introduced a resolution that the association reaffirms its allegiance to the profit sharing plan of commissions adopted at Richmond and an equalization of commissions. At this point several Southern delegates repudiated the newspaper reports of their contemplated secession from the association, and disclaimed a disposition to force the action of the association.

Mr. Markham introduced a resolution pledging the association to support all efforts to correct unjustifiable expense, and its desire to co-operate on any suggested plan for commission reform, provided that the duly qualified agent be favored as far as possible, and that the public shall share in the saving. It was adopted and referred to the committee on resolutions. W. H. Mandeville, of Olean, N. Y., filed a resolution declaring the association to be in favor of uniform rates and uniform commissions, which was also referred.

The first speaker under the topic, "Standard of Agency Qualifications." for open debate was Lyman M. Drake, of Chicago. Mr. Drake said that he was a radical on these lines, and in an address bristling with good ideas hewed straight to the line. From his remarks we quote:

To the fact that proper standards of qualification for local agents have not been established and maintained can be traced practically all of the evils of the business, from the worries of the Eastern Union to the vexations caused by the Texas State Rate Laws.

It is the qualification of the agent and his ability or inability to keep the loss ratio of his companies down by his investigation of the physical and moral hazard that is the largest factor in insurance cost today.

That proper regulation of rates is being defeated by this lack

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of standard of qualification for agents is surely shown by the known facts that while expenses are increasing to such extent as to attract widespread attention from the public, agencies multiply continually.

It may be admitted that the increase in the army of insurance agents increases the volume of premiums to a certain extent by selling insurance to parties who would not otherwise buy it, but it must not be overlooked that this is responsible for the selling of insurance to a great many who are not entitled to it and could not get it from a properly qualified agent who investigates the physical and moral hazard of every risk submitted.

Raising the standard of qualification is the one reason for the existence of this association, and if proper license laws will accomplish the desired reforms, let us bend our united efforts to have them adopted.

Miss Edith I. Goodspeed, of Joliet, Ill., the only woman delegate in attendance, read a somewhat Utopian essay in which she advocated that each applicant for appointment be required to have the endorsement of representative business men, as well as three agents in good standing. In the absence of Insurance Superintendent Barnes, of Kansas, who was ill, the discussion of "State Rating Laws" was opened by F. W. Offenhauser, and was participated in by several. P. D. Kiernan, of Albany, gave some pointed thoughts, saying, in part:

After careful study, I have come to the conclusion that advocates of State rating offer no improvement over the method of schedule rating now in use. Companies must obtain adequate rates in order to furnish good insurance. It may be that the Federal Government should be the seat of all power, and if so, it would do away with varying laws in different States. Are the States ready to cede this authority to Federal Government? Railroads have largely capitalized future earnings while insurance companies have only been allowed to capitalize actual value. Railroads are not subject to losses corresponding to those caused by conflagrations. No one contends that State taxes are on absolutely scientific and equitable basis, but on the other hand there are those who are not entirely satisfied with the "Sacred" Tariff. We are not a trust, being beset by Lloyds, mutual and inter-insurance competition. The fire waste has not increased with growth of values, and for this the fire prevention methods of companies should be given credit. Regulation of rates would result in similar control of commissions and this would drive the smaller companies out of business, and the smaller companies are needed.

O. B. Ryon, of Streator, Ill., who, in addition to being a local agent, is counsel of the Illinois Insurance Department, made a forceful talk on the topic, which was closely attended and warmly applauded. He said in part:

Much of the talk has been purposeless. Agents now getting 25 and 30 per cent. commission are not going to take fifteen, and we all know it. The expense ratio has grown from 20 per cent. to nearly 40 per cent., and there are people who will give this matter earnest attention before long. Fifty per cent. is in sight and the people of the United States will not stand this sort of thing. Legislation is in the air and it is within your power to say about how that legislation shall be directed. If there is to be legislation you want to regulate what kind of companies shall do business in your State, and what kind of agents shall represent them. No other business on God's footstool could be conducted as the fire insurance business is conducted and survive. As to incompetent agents, if the business of the country for the last fifteen years had been done by such a body of agents as is before me, the fire waste would have been less by 30 or 40 per cent. The stability of companies and character of agents is an economic question. We can resolve ourselves black in the face, but without the legislatures we can accomplish little. If one of you gentlemen got a bill through the Georgia Legislature next session saying that no company should be licensed to do business in Georgia after January 1, that has a greater expense ratio than say 35 per cent., I think the commission question would soon settle itself. If insurance is a tax as we claim, the people should have something to say about its distribution. Insurance companies ought to make the rates, because they have the necessary knowledge. The curse of the insurance business in the United States is the fact that out of forty-six States we have forty-six varieties of legislation. The problem of uniformity is before you and is in your hands. When you have made up your minds upon what kind of legislation you want in your several States, advocate such legislation and stick to it.

WEDNESDAY'S PROCEEDINGS.

A telegram from the wife of Superintendent Barnes, offering to send her husband's paper for insertion in the records, was read, and the offer was accepted. President Guenther then introduced Arthur Hawxhurst, who is insurance manager of the Marshall Field & Co. stores, and who probably supervises the greatest amount of insurance in the country, who gave a fine address on the topic of fire insurance, its cost, expenses and some abuses that might be corrected. A vote of thanks was given him at its conclusion. Mr. Weil, of Chicago, referred to the Field stores as a model risk, and the delegates, after adjournment, visited the store to inspect it. The report of the committee on nominations was adopted without change as follows:

NEW OFFICERS ELECTED.

President, A. W. Neale, Cleveland, Ohio; secretary-treasurer, H. H. Putnam, Boston; Committee Chairmen—Executive, W. E. Metzger, Nashville, Tenn.; grievance, J. H. Southgate, Durham, N. C.; legislation, George D. Markham, St. Louis, Mo.; organization, F. W. LeBallister, Oakland, Cal.; vice presidents, J. W. Alexander, Alexandria, La.; E. R. Case, Chicago; L. W. Childrey, Norfolk, W. Va.; E. H. Forry, Indianapolis; C. C. Jones, Kansas City; B. F. Kauffmann, Des Moines; F. G. Lumpkin, Columbus, Ga.; J. N. Manson, Warsaw, Wis.; H. N. Pinkham, Portland, Me.; Allan Kennedy, Fort Smith, Ark.; P. D. Kiernan, Albany, N. Y.

Mr. Neale is a leading agent at Cleveland, Ohio, who has been a vice president for several years and has done important work on committees. In accepting he said he appreciated the honor and promised to work hard in the interests of the organization. By request Mr. Guenther officiated during the balance of the session.

The report of the committee on revision of constitution and bylaws was referred to the midwinter conference. A suggestion in it as to individual membership in the association was objected to as discouraging local associations. Another suggestion was that the grievance committee should consist of four members only.

REPORT OF COMMITTEE ON RESOLUTIONS.

The report of the committee on resolutions, R. T. Manly chairman, was as follows:

Your committee has met and considered the various resolutions and recommendations submitted, and begs leave to report as follows:

Whiskey Insurance.—The report of the executive committee on this subject, as made to the convention, is ratified and approved, and the incoming committee is instructed to continue the efforts to restore the business to local agency channels.

State Legislation.—We reiterate our approval of agents' license, anti-rebate and fire marshal laws, and urge agents where they are not in force to do all possible to secure their adoption.

Committee on Qualifications of Agents.—With a view to carrying out the recommendation of O. B. Ryon, attorney for the Insurance Department of the State of Illinois, the incoming president is authorized to appoint a special committee of five, to be known as "The Committee on Qualifications of Agents." The said committee shall prepare as soon as possible a blank for agents and one for solicitors applying to State insurance departments for license, which blank, when approved by the executive committee, shall be published and copies furnished each State association as an expression of our views upon the subject, with the request that they transmit the same to the Insurance Commissioner of the State, and do all they can to secure its adoption.

Banks, Trust Companies, etc.—The recommendations of the executive committee upon this subject are referred to the committee on "qualifications of agents."

Individual Underwriters, Lloyds and other Unauthorized Companies.—The action of the executive committee in this connection is approved, and local associations are requested to favor such action in various States as will bring these organizations within the purview of the law.

Co-operating List.—The recommendation of the executive committee that the value of this list be enhanced by concerted action is approved, and the executive committee is instructed to place this list in the hands of agents in such form as will enable them to use it in their daily business transactions, and prefer in the placing of business the companies whose names appear in the list.

Advertisements in the *Bulletin*.—The action of the midyear conference in opening the columns of the *Bulletin* to the advertisements of companies in the co-operating list is approved, but inasmuch as the advertising secured from local agents is of the first importance in the success of the *Bulletin*, the incoming officers of the association are urged to make every effort to increase this source of revenue.

The incoming executive committee is authorized to investigate charges against advertisers in the *Bulletin*, and if these charges are proven correct, to

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drop the offenders from the advertising columns, and members of the association notified of the reason for the action.

Uniform Blanks.—The recommendation that the committee be continued is approved, with the request that the blanks agreed upon be put in force at the earliest practicable time.

Trust Lines and Brokers.—The recommendations of the joint conference committee on this subject are approved, and referred to the incoming joint conference committee to be considered with the company members of the committee for the purpose of securing their approval and the general adoption of the recommendation.

Dual and Multiple Agents.—The executive committee of the association is authorized to make a canvass of companies at such time and in such manner as is deemed advisable, to ascertain what their position may be in respect to sole agencies in each locality, and the elimination of so called side liners, soliciting, non-recording and part time agents, the object being to bring about reform in the business much desired by the companies, the public and the agents.

Fire Prevention Association.—We again commend the work of the National Fire Protection Association, of which this organization is a member, and also of the various State and local fire prevention associations, in their efforts to secure a reduction in the annual fire waste. We earnestly recommend that all local agents support these organizations in their work, and that individually and collectively, through their local boards, they endeavor to assist property owners in understanding modern methods of fire prevention and the benefits to be derived through better methods of construction.

Cost of Insurance.—That fire insurance costs more than is necessary is admitted. The reason is not generally well understood. Theories for its reduction are not wanting, but the practical solution of the problem bristles with difficulties.

The greater part of the cost of fire insurance is the losses, which could and should be reduced one-half. This would lower the cost of insurance at least 30 per cent. Such a reduction would not be a hardship to anyone, but a distinct benefit to all. Insurance companies, their local agents and other representatives are doing, and will continue to do, more than their share of the work for the reduction of fire waste. The responsibility for this excessive drain upon the resources of the country rests upon the property owners and voters. The conservation of the resources of the country represented by buildings, machinery and merchandise, is of even greater importance than the protection of our forests and mines. Good building codes and fire prevention statutes, coupled with fire marshal laws, would substantially reduce the fire waste, and we recommend to all State associations the heartiest co-operation in efforts to pass such legislation.

Another factor in the cost of fire insurance, and one that is unnecessary and iniquitous, is the payment of dishonest losses. This robbery of all other premium payers amounts probably to about 20 per cent. of the losses paid. For this part of the cost the fire insurance companies and their representatives are not responsible. Upon public opinion, which smiles upon and often encourages those who "soak the corporations," we must place the blame. It is a notorious fact that the defense of unjust claims by fire insurance companies costs more than the claims themselves, even when the companies win. When they lose, the cost is doubled. The public sides with the claimant, right or wrong. So powerful is the injustice of public sentiment in this matter, that should a company contest every questionable claim it would soon be out of business.

The taxes imposed upon fire insurance in excess of the amount required for the proper supervision of the business is not part of cost of fire insurance. The legislatures, instead of collecting direct from the property owners this excess diverted to other purposes, require insurance companies to collect it for them by adding the amount to the premium. Certainly for this part of the premium no one engaged in fire insurance is responsible.

The legislation and ruling of the States add considerably to the cost of insurance. One of the most indefensible laws is that prohibiting the co-operation of companies. The requirement that each company must employ men to do work that one set of men could do for all the companies is an economic absurdity. For such unnecessary burdens imposed upon the managerial or general expenses of the business, and which add to the cost of fire insurance, those engaged in the business are not responsible.

There is undoubtedly some extravagance in the managerial office and field work of companies, which adds a little to the cost of fire insurance.

In the face of the constantly increasing cost of living, and the general increase of wages in other branches of business, the suggestion that the wages of local fire insurance agents should be reduced by a cut in the rates of commission for the avowed purpose of reducing the cost of fire insurance, without reducing the number of unnecessary agents and other forms of illegitimate competition, is not entitled to unqualified approval. Local agents generally are experiencing a reduction in income because of natural and proper reductions in rates and because of unnecessary competition, which is not offset by the increase in insurable values, and they naturally object to a further reduction so long as such competition exists and the cost of living is going up. Upon a risk paying 2 per cent. an agent receives a certain commission. When risk is sprinklered and rate reduced to 20 cents the agent receives one-tenth of his former commission. This reduction in the agent's income is a proper evolution of the business to which the agents make no objection. Agents do object, however, to the reduction of their incomes because of the appointment of unnecessary agents and because of other forms of illegitimate competition. Agents cannot afford to accept lower commissions without a reduction in competition, and in our opinion the commissions now generally paid to agents in some sections of the country is not an adequate compensation for the services expected of them. This association can see no just reason why the agents in the South and East should be called upon to work for a less compensation than that paid to agents in the North and West.

We deprecate the excessive commissions paid by some companies in cities, and we believe that the abolition of dual and multiple agencies would enable all companies to adjust their sole agency appointments on a basis which would result in a reduction of the cost of insurance.

The National Association of Local Fire Insurance Agents desires to assist in conserving insurable values, in preventing fraudulent claims, in reducing excessive taxation, in repealing laws forbidding co-operation in economical administration, and in eliminating unjustified expense in conducting the fire insurance business.

We approve the work of the officers and committees of the association during the past year and express our appreciation of their work in behalf of the interest of local agents. We desire also to record our appreciation of the very cordial manner in which we have been entertained at this convention by the local agents of Chicago, and to thank them for their courteous attention to the delegates and ladies during their attendance at this meeting.

Secretary Putnam's statement showed the association finances to be in comfortable condition. Numerous invitations for the next session were read, but selection was left to the executive committe. It is expected Buffalo will be chosen.

Adjournment was taken at 1 o'clock, after which many of the delegates visited the Underwriters' Laboratories, where they witnessed several demonstrations of the fine work being done by this organization. The meeting is regarded as one of the most successful in the history of the association. No sectional feeling was shown, and the organization is stronger than ever before. The entertainment by the Chicago agents was one of the most enjoyable features of the convention.

Program of the Twenty-third Convention of the International Association of Accident Underwriters to be Held September 20-23, at the Mount Washington Hotel, Bretton Woods, N. H.

TUESDAY, SEPTEMBER 20, 2:30 P. M.

Call to order.
Report of committee on credentials, J. M. Parker, Jr., chairman.
Special report of executive committee, H. G. B. Alexander chairman.
Address of president.
Report of secretary.
Report of treasurer.
Report of auditing committee, Dr. R. S. Keelor chairman.
Report of librarian.
Announcements: (*a*) Banquet committee, Louis H. Fibel chairman; (*b*) entertainment committee, William G. Curtis chairman; (*c*) convention photograph committee, L. C. Deets chairman.
Introduction in writing of subjects for debate—Question box.
Address, "Insurance Companies and the Public Heath," Prof. Irving Fisher, Yale University, New Haven.

WEDNESDAY, SEPTEMBER 21, 10 A. M.

General report of executive committee, H. G. B. Alexander chairman.
Address, "The International Claim Association," Julian S. Eaton president.
Report of committee on standard manual or uniform classification of risks, J. M. Parker, Jr., chairman.
Address, "Some Symptoms and Aspects of the Tendency Toward Socialism," Hon. Arthur I. Vorys, Columbus, Ohio.
New business.
Discussion of subjects introduced under Section 10.
Report of committee on uniform policy phraseology, Franklin J. Moore chairman.
Report of committee on tabulation of statistics regarding health insurance, Dr. R. S. Keelor chairman.
Report of Bureau of Information.

THURSDAY, SEPTEMBER 22, 10 A. M.

Address, "Federal Supervision; Is It Possible Without an Amendment to the Constitution?" James C. Jones, St. Louis, Mo.
Report of committee on bylaws, Edwin W. DeLeon chairman.
Address, "Diseases Resulting from Accidents," Dr. C. H. Harbaugh, medical director American Assurance Company, Philadelphia, Pa.

FRIDAY, SEPTEMBER 23, 10 A. M.

Report of George E. McNeill memorial committee, G. Leonard McNeill chairman.
Presentation of medals—
To James W. Marrinau, Woburn, Mass.
Address, Edson S. Lott, president United States Casualty Company, New York.
Address, William H. Jones, general manager Equitable Accident Company, Boston.
To Thomas Reynolds, North Bay, Ont.
Address, William Bro Smith, counsel the Travelers insurance company, Hartford, Conn.
Address, Edward Willans, general manager the Imperial Guarantee and Accident insurance company of Canada, Toronto, Ont.
Address, "The Attitude of Courts Toward Insurance Companies," Chester N. Farr, Jr., Philadelphia.
Report of nominating committee, Alfred E. Forrest chairman.
Election of officers executive committee and George E. McNeill memorial committee.
Report of committee on place for next convention, L. C. Deets chairman.
Unfinished business.
Adjournment.

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Appeal for Conservation.

An urgent appeal for the more effective conservation of the nation's resources from destruction by fire was made by the special committee of the National Board of Fire Underwriters, composed of A. W. Damon, of Springfield, Mass.; George W. Babb, Charles G. Smith, W. N. Kremer and R. Emory Warfield, of New York; R. M. Bissell, of Hartford, and R. Dale Benson, of Philadelphia, which submitted the following paper to the National Conservation Congress in session at St. Paul, Minn., last week:

Mr. Chairman and Gentlemen—Since the beginning of the conservation movement the National Board of Fire Underwriters has been deeply interested in the governmental and associational activities aiming to foster and protect the natural resources with which our country has been so bountifully blessed. Our representation at the Washington conference of 1908 indicated our sympathy with the proposition presented, and the continuance of our conservation committee is a manifestation that we have been and are ready to co-operate in a furtherance of those principles which you as an association stand pledged to advance. We believe that unless there is an intelligent development and utilization of our natural resources the comfort, prosperity and happiness of future generations will be seriously impaired, and we are in hearty accord with all legislation having for its object the preservation from destruction of nature's gifts and man's handiwork.

The address which this committee presented to the joint conservation conference sought to set forth some very important facts concerning the excessive fire waste which persists in the United States and suggested remedial measures, which we still believe, if adopted, would materially diminish the grievous loss of life and the tremendous and unnecessary destruction of created values by fire. We therefore beg to reaffirm those suggestions at this time as follows:

The present fire waste in this country is an unnecessary national calamity and to reduce it, it is essential,

First—That the public should be brought to understand that property destroyed by fire is gone forever and is not replaced by the distribution of insurance, which is a tax collected for the purpose.

Second—That the States severally adopt and enforce a building code which shall require a high type of safe construction, essentially following the code of the National Board of Fire Underwriters.

Third—That municipalities adopt ordinances governing the use and keeping of explosives, especially inflammable commodities and other special hazards, such as electric wiring, the storing of refuse, waste, packing material, etc., in buildings, yards or areaways, and see to the enforcement of such ordinances.

Fourth—That the States severally establish and support the office of fire marshal, and confer on the fire marshal by law the right to examine under oath, and enter premises and to make arrests, making it the duty of such officer to examine into the cause and origin of all fires, and when crime has been committed requiring the facts to be submitted to the grand jury or proper indicting body.

Fifth—That in all cities there be a paid, well disciplined, non-political fire department adequately equipped with modern apparatus.

Sixth—That an adequate water system with proper distribution and pressure be installed and maintained. In the larger cities a separate high pressure water system for fire extinguishment is an absolute necessity to diminish the extreme imminence of general conflagrations.

The publication by the United States Geological Survey of Bulletin 418, known as "The Fire Tax and Waste of Structural Materials in the United States," is worthy of high commendation, and we believe a wider distribution of this pamphlet and the preparation and dissemination annually of similar information will materially serve to awaken the public to a realization of the enormous values in utilized resources which are destroyed by fire beyond recall and cause action to be taken by States, municipalities and individuals to enact such laws and regulations as will make for the exercise of greater care and forethought in the preservation of materials produced from our natural resources. It must be evident that the conservation of our forests and mines will fail of its full results if the utilized products therefrom are to continue to be unnecessarily destroyed by fire to a degree that is a national disgrace.

We share the pride of our fellow citizens in the remarkable growth and prosperity of this country, in the extensive building operations and in the increased commercial values, but, if we would conserve those natural resources which have been the principal foundations of our success, we submit that it is equally important to adopt and enforce such measures as will lessen the steadily and rapidly increasing fire waste of our utilized resources.

The National Board of Fire Underwriters has for years devoted its energies and activities principally to the reduction of the fire waste and the safeguarding of life and property. Standard rules and lists of hazardous and protective devices and materials are distributed free of charge, the results of the tests conducted at the underwriters' laboratories are made known to anyone evincing an interest, a model building code, prepared under the advice of experts in construction and engineering, has been urged for adoption in every municipality of the country, and as a result our advice and co-operation is sought in the revision and adoption of the building laws of our cities. Under the immediate direction of our committee on fire prevention, expert engineers investigate the fire fighting facilities and structural conditions of our cities, submitting copies of the reports, with suggestions for improvements, to the officials of the city visited and the press; the expense of the work of this committee alone, for the last six years, has amounted to $432,742.

We have persistently endeavored to influence the introduction of improved and safe methods of building construction, to encourage the adoption of better fire protective measures, to secure efficient organization and equipment of fire departments, with adequate and improved water systems, and to have adopted rules regulating the storage and handling of explosives and inflammable products; and we contend that successful efforts along these lines will very largely lessen the fire waste of the utilized resources, the destruction of which at the rate of over $216,000,000 annually (1900-1909, inclusive) is one of the greatest drains upon our natural resources, and one which can be corrected, if the nation, State, city and citizen will co-operate along the lines indicated above.

The destruction of our utilized resources by fire is increasing at such a rapid rate that the subject of its reduction should be very prominent in the minds of the people. Losses recorded for the past thirty-five years, not including forests, mine or marine fires, total the enormous sum of $4,906,619,240. Unrecorded losses, if obtainable, would materially increase these figures. These annual fire losses run from $64,000,000 in 1876 to $518,000,000 in 1906. In 1907, a normal year, our recorded losses were $215,084,709, and our estimated fire defense cost $241,401,191, or a total amount equaling about 50 per cent. of the value of the new buildings erected that year in the entire country. In 1908, also a normal year, our ash heap cost $217,885,850, and the relations of defense cost and fire loss to new buildings remained about the same. Our contributions to fire that year were over 1¼ million dollars each day of the year, a sum equal to the operating expenses of our Government, including those of our army and navy, for the same year; and in 1909 we gave to fire over $25,000,000 more than was spent in that year for the same governmental functions.

No one organization can effect the needed reform. Since 1880 the population has increased 73 per cent., while the fire loss for the same period increased 134 per cent. The National Fire Protective Association and the National Credit Men's Association are spreading the doctrine of reform in the recklessness with which our utilized resources are destroyed by fire. Each organization should be encouraged. Membership in the former is open to all and in the latter to the business men and merchants of our cities.

The work, however, is carried on without State or municipal co-operation and therein lies the chief reason of delayed success.

If the office of State fire marshal were created by every commonwealth, and that official and his deputies given power to enforce good fire prevention laws, investigate, and, if necessary, prosecute cases of arson or criminal carelessness in the starting or spreading of fires, ascertain the cause of every fire, and by the distribution of literature educate the citizen to the need of care and forethought in the protection of his property, a distinct conserving of the utilized resources in every State would follow.

If our municipalities will enact and enforce improved and safe methods of building construction and cause the removal or reconstruction of existing structures which constitute, because of their construction, a menace to adjoining properties, our cities would be freer from the imminent conflagration which now threatens them. Eliminate defective chimney flues, unprotected external and internal openings, excessive areas, weak walls, and combustible roofs; prohibit the storage of rubbish, and demand the safe use and handling of dangerously inflammable liquids and oils; regulate the use of explosives; and the destruction of our

(*Continued on page 223.*)

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AMERICAN LIFE CONVENTION.

Fifth Annual Convention at Des Moines, Ia., September 15 to 17.

(*Special Report.*)

DES MOINES, Ia., September 16.—The fifth annual meeting of the American Life Convention, which is made up of the younger companies of the Central, Southern and Western States, was called to order at the Hotel Savery, Thursday morning at 10 o'clock, by President Isaac Miller Hamilton, who is president of the Federal Life, of Chicago. The attendance was much larger than last year, fifty companies being represented, while the privilege of the floor was extended to six visiting company officials.

In his annual address, President Hamilton spoke at length of the remarkable growth of the newer life companies and quoted figures showing that these companies are now writing annually more business than is produced by all the native and foreign companies in the entire Dominion of Canada. On the matter of State regulation he urged the companies to co-operate with State governments to secure uniform and proper supervision.

The address of welcome was given by Frank D. Jackson, former governor of Iowa, and now president of the Royal Union Mutual Life of Des Moines. The response was by President Wilmer L. Moore, of the Southern States Life of Atlanta, Ga.

THE AFTERNOON SESSION

opened with a paper on "The Total and Permanent Disability Risk in Connection With the Life Insurance Contract," read by Lucius McAdam, who is actuary of the United States Annuity and Life of Chicago.

MR. McADAM ON THE TOTAL AND PERMANENT DISABILITY RISK.

Actuary Lucius McAdam read a paper on the "Total and Permanent Disability Risk in Connection With the Life Insurance Contract," in which he reviewed a number of articles on the subject recently written and published by Franklin B. Mead, actuary of the Michigan State Life insurance company; C. W. Jackson before the Actuarial Society of America, Sidney H. Pipe before the Order of Foresters, Abb Landis, assisted by George D. Eldridge, and more particularly a remarkable paper read in 1909 by a Russian actuary, E. Hamza, before the third International Congress of Actuaries. After discussing these, Mr. McAdam said:

It will be noted in all of these articles that there is a substantial agreement of the authorities upon the proposition that where the total disability is limited to occur before age 60, and the benefit is also limited to the cessation of future premiums, the extra risk is small and may be provided for by a small extra premium, with corresponding low reserve. Also, that if the limit as to age is placed at 80, a very substantial extra premium will be required even to stop the payment of premiums.

It may here be observed, however, that the limiting of the occurrence of the total disability to happen before age 60 gives as little to the policyholder as he would have to pay for it. In fact, it withdraws the benefit from him at the very time when he may be about to need it. As the poet would say,

"It keeps the word of promise to the ear
But breaks it to the hope."

It is quite evident that a form of disability clause providing for the maturity of the amount insured itself, either at once or by instalments, would be of much more value to the insured than the mere cessation of premium payments. This is, in fact, the form which this benefit took in some of the assessment associations that adopted it, but in their case it was only necessary to add a claim of this character to the list of death claims to be assessed for and so produce the necessary amount. But in the case of a regular company it becomes a different matter, and, as will readily be seen, involves the requirement of extra premiums and reserves.

In his first paper Mr. Mead states that out of thirty-eight companies having a disability clause in their policies, seventeen provided for maturing the sum insured by instalments. It thus becomes a serious matter for those companies that have already adopted this form of disability clause, as well as for others contemplating its adoption, and I apprehend that many companies are looking for light on this phase of the subject, rather than that of the mere cessation of premium payments.

The discussion following was led by W. H. Gould, of Chattanooga, who is secretary of the Volunteer State Life. He pointed out that agency departments were often forced to grant the liability feature in competition with other companies. An attempt was made to draft a standard clause, but it was unsuccessful. President Wilmer L. Moore spoke in opposition to the many promotion schemes now prevailing, and asked for co-operation in securing uniform statutory requirements. He offered a resolution fixing a maximum standard for the expense of commissions, asking the convention to go on record as against excessive commissions on first year's business, but this was strongly opposed on the ground that it was outside the province of the convention. The resolution was referred to the executive session.

The subject was also discussed by President W. C. Baldwin, of the Pittsburgh Life and Trust; President T. L. Miller, of the West Coast Life of San Francisco; T. B. Love, vice president of the Southwestern Life of Dallas, formerly insurance commissioner of Texas, and President W. D. Johnson, of the Florida Life.

In the evening the delegates met in executive session, which was a continuation of the work of the executive committee session of the day previous.

FRIDAY'S PROCEEDINGS.

The morning session was devoted to the discussion of topics provided by various medical directors, and was participated in by Dr. Amand Ravold, of the Missouri State Life, St. Louis; Dr. Albert Anderson, of the Jefferson Standard Life, of Raleigh, N. C., and Dr. W. F. Milroy, of the Bankers' Reserve Life of Omaha, Neb.

The afternoon was devoted to discussion of legal topics, led by George H. Carr, general counsel of the Central Life of Des Moines, whose subject was "The Attitude of the Courts With Relation to Life Insurance Companies."

ADDRESS BY GEORGE H. CARR ON THE ATTITUDE OF THE COURTS.

Mr. Carr said in part:

The subject of this paper is not of my choosing, and I do not, therefore, feel bound to accept its assumptions. The subject assumes as an established fact that courts *have* an attitude toword insurance companies. This is equivalent to saying that courts, in passing judgment in insurance cases, manifest a prejudice against or favoritism for insurance companies. It is safe to assume in this presence that it will not be claimed that there has been any undue favoritism manifest by the courts toward this class of litigants. The subject, therefore, must be understood as assuming that courts are prejudiced against insurance companies when they assume the attitude of suitors.

In a paper read before this convention at its annual meeting in 1909 Mr. Deitch ably reviews the decisions handed down by the courts of this country, England and Canada during the year ending September 30, 1909, and announces the conclusion therefrom that "courts are undoubtedly prejudiced against insurance companies." He attributes the prejudice in part, at least, to the practice formerly in vogue among life insurance companies of writing into their contracts of insurance so many conditions and provi-

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sions that a recovery on the policy, if interpreted according to the usual canons of construction, was practically impossible. He gives it as an undisputed fact that while this cause for prejudice has ceased to exist, the prejudice resulting therefrom remains in the minds of the courts.

THIS IS A GRAVE CHARGE,

and if justified, calls for severe criticism of the courts. Whenever it becomes apparent that justice is not impersonal, and that the blind goddess no longer symbolizes the attitude of courts toward parties litigant, confidence in judicial integrity is destroyed. The upright judge necessarily has a prejudice against wrongdoing, but such prejudice is or should be impersonal. If insurance companies in the past have pursued a policy by which they exposed themselves to the just criticism and condemnation of courts, this can furnish no possible excuse for a display of prejudice toward them after the methods condemned have been abandoned. To have the conviction forced upon my mind that the courts of this country manifest prejudice in their decisions in cases where insurance companies are parties would be to me, as a lawyer, a cause of deep humiliation and profound regret. This because I could not accept such a conclusion without the loss of much of that respect for courts which I have, up to the present time, been able to retain, notwithstanding the frequency with which they have failed to adopt my views as to the rights of my clients.

The business of insurance in all its various departments has come to be universally regarded as not only honorable and legitimate, but absolutely essential to the welfare of modern society. Its fundamental principle is the equalizing of misfortune's burdens. It compels contributions from the fortunate to reimburse the financial losses of the unfortunate. There is no business in the world that is based upon a more humane and beneficient principle. In life insurance this principle finds its best and truest application. In the conduct of the business there is being universally displayed the very highest order of business integrity and honorable and upright dealing. The companies are officered and managed by men of recognized probity and standing in the business world, and in the several communities in which they reside.

In recent years the life insurance business has been generally favored by the law making power of the several States. While unwise legislation has sometimes been enacted in relation to them, it has generally been the aim of legislators to foster these institutions and to place them on the highest possible plane of usefulness, and to insure them the confidence of the people. All this has borne fruit until today there is no class of business institutions in which the people at large have greater confidence, not only as to their stability but as to their business methods. There would, therefore, seem to be

NO POSSIBLE REASON

why these institutions should be in disrepute with the courts, or that they should be denied evenhanded justice. I cannot, therefore, accept the assumption in the subject assigned me for discussion that the courts have an attitude, that is to say, a prejudice against them. I shall take the liberty, therefore, of treating the subject as propounding the query: Have the courts a prejudice against insurance companies?

I shall confine the inquiry to that class of insurance in which we are particularly interested. There is, apparently, but one way in which an intelligent answer to the query can be arrived at, and that is by pursuing the course adopted by Mr. Deitch. But in reviewing the decisions of the courts during a given period I do not agree that the answer will be found by ascertaining the percentage of adverse decisions. In my opinion such a result does not necessarily establish either prejudice on the part of the courts or incompetency on the part of the lawyers who have represented the companies in the presentation of the cases. To accept such a conclusion is to assume that the managers of the companies and their counsel are always right. This would be to arrogate to ourselves a degree of infallibility to which I respectfully submit we are not entitled.

I have examined with some care most of the cases reviewed by Mr. Deitch, for the purpose of determining whether, in my judgment, the conclusion drawn from them was warranted. In my study of the cases I have not attached much importance to the results announced, but have rather sought to determine whether these results, when adverse to the companies, have been arrived at by the misapplication of established legal principles, or the refusal of the courts to apply the same principles in determining the rights of life insurance companies that are applied in determining the rights of other parties litigant. This seemed to me to be the only way by which I could arrive at an intelligent answer to the query propounded.

Among this list of cases I find some that were decided adversely to the insurance company which seem to me to have been wrongly decided, but an occasional mistake, or more accurately speaking, what appeared to my mind to be a mistake, does no more to indicate prejudice on the part of courts toward insurance companies than the not infrequent mistakes in other classes of cases indicate prejudice toward the defeated party, where no possible ground for prejudice can exist. Such mistakes are but evidence of the fallibility of human judgment. Nor do such occasional decisions indicate prejudice on the part of courts any more than wrong decisions in favor of insurance companies indicate undue favoritism.

Among this list of cases I find those that are decided in favor of the company that in my opinion

SHOULD HAVE BEEN DECIDED AGAINST THE COMPANY.

For example, in Ætna Life insurance company versus Wimberly, the Supreme Court of Texas, reversing the Court of Civil Appeals, held that where by the terms of a policy of insurance the annual premium was payable on the 1st of October, and which contained a provision giving thirty days of grace for the payment of any premium after the 1st, and where the date for the payment of the second annual premium was Sunday, that conceding that the assured would have the right to pay the premium on Monday, the second day of October, that the thirty days of grace would not begin from that date, but would expire thirty days from Sunday, the 1st, and that as the policyholder died on the 1st of November without having paid the premium, the policy was forfeited and no recovery could be had. If this man had held a policy in the Central Life I have no doubt but that I would have advised the payment of the claim without contest.

A discriminating review of all the cases decided against the companies cited by Mr. Deitch for the purpose of determining whether they justify the charge of prejudice is not practical within the reasonable limits of a paper of this character, nor do I think such a course necessary to the attainment of the object in view. A consideration of a considerable number of them from the various courts, selected with some reference to the distinctive character of the questions involved, and without any purpose to eliminate such cases as may be thought to furnish the strongest grounds for criticism, ought to afford a sufficient basis for a just conclusion.

Mr. Carr then entered into a discussion of a number of court decisions, pointing out his reasons for agreeing with some of them and for differing with the court's opinion on others. In conclusion he said:

I believe the foregoing cases to be fairly representative of those which have been decided against the companies, upon which the charge of prejudice on the part of courts has been founded. I find nothing in these cases which warrants such a conclusion. Whatever may be thought of the soundness of some of these decisions, I venture the assertion that they are no more open to criticism than a like number of cases selected at random in which no question of insurance law is involved, and to which insurance companies are not parties. I do not find in these cases any indication of a general disposition on the part of courts to refuse to apply settled principles in determining the rights of insurance companies, or any general disposition on the part of the courts not to mete out to them evenhanded justice. I have not followed closely the later decisions of the courts in life insurance cases, but so far as I have had occasion to examine them they do not indicate to my mind a hostile attitude toward insurance companies. My personal experience in the courts has not been such as to lead me to the conclusion that insurance companies stand before the courts upon a different footing from other litigants.

I have sometimes thought that there is a disposition on the part of courts to permit their sympathies to influence their judgments, resulting in a tendency to lean toward the side of the poor, the weak and the unfortunate. But that this tendency, if it exists, is displayed in a more marked degree in actions against insurance companies than against other corporations or in other classes of cases I do not believe. Every lawyer whose practice is largely devoted to the defense of cases brought against corporations is liable to acquire a habit of thought which leads him to the conclusion that courts are inclined to favor the plaintiff's side of the case, especially where the plaintiff is weak or unfortunate. It may be there is some justification for this feeling, but in my judgment, if it exists, it is due to sympathy for the plaintiff rather than prejudice toward the defendant. In justification of such possible leanings it must be remembered that judges are but human, and that sympathy for the weak and afflicted is, after all, one of the noblest attributes of the human heart.

On the whole, I am fully convinced that there is no justification for the charge that the courts are prejudiced against insurance

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companies when they appear as suitors at the bar of justice; that in at least the great majority of cases evenhanded justice is dealt out to them in accordance with established principles of law, and that the query as to whether courts are prejudiced against insurance companies should be answered in the negative.

(The remainder of the proceedings of this convention were received too late for publication in this issue, and will appear in the paper of next week.)

Appeal for Conservation.

(*Continued from page 220.*)

values, created from the natural resources, but enriched many fold by human toil, industry and skill, will be materially diminished.

If the citizens of a community, as members of their local civic bodies and boards of trade, will create in such organizations a committee of fire prevention, whose duty it shall be to study the subject and awaken among their associates a realization of individual and communal responsibility, and if our boards of education will emulate the action of the State of Ohio in prescribing primal education of the school children as to the chemistry of fire, the causes of fires in our homes and how to guard against them, and how to extinguish incipient fires or hold them in check while awaiting the response of the fire department, a preparation will be made in that community which will check the constantly increasing fire waste.

And so while this conference discusses and formulates policies for the conservation of our natural resources, it should, at least, as representing the official, professional, commercial and industrial life of the nation, distinctly and emphatically advocate such regulation as will preserve those resources which are the embodiment of the thrift and industry of our people—the utilized resources—from unnecessary and wasteful destruction by fire.

PER CAPITA FIRE LOSSES FOR 1907 IN THE UNITED STATES.
(United States Geological Survey.)

Geographic Division.	Fire Loss Per Capita.
North Atlantic—Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania	$2.50
South Atlantic—Delaware, Maryland, District of Columbia, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida.	2.19
North Central—Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, Kansas	2.37
South Central—Kentucky, Tennessee, Alabama, Mississippi, Louisiana, Texas, Oklahoma, Arkansas	3.66
Western—Montana, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada, Idaho, Washington, Oregon, California	2.65

FIRE LOSSES IN SIX EUROPEAN COUNTRIES.

Country.	Years.	Annual Average.	Population, 1901.	Loss Per Capita.
Austria	1898–1902	$7,601,389	26,150,597	$0.29
Denmark	1901	660,924	2,588,919	.26
France	1900–1904	11,699,275	38,595,500	.30
Germany	1902	27,655,600	56,367,178	.49
Italy	1901–1904	4,112,725	32,449,754	.12
Switzerland	1901–1903	999,364	3,325,023	.30

Average loss per capita, 33 cents.

National Association of Life Underwriters.

Our issue of last week contained a report of the proceedings of the National Association of Life Underwriters in annual convention up to the time of going to press. The session of Saturday, September 10, opened with an address by Elbert Hubbard, of East Aurora, which was replete with humor, and which kept the delegates in almost continual laughter. Of his work as writer of advertisements for the Equitable, Mr. Hubbard said:

I am not conceited and the time is not ripe for me to say the final word on any subject, but, if I make you think, I confer on you a benefit. I have been writing advertisements for a certain insurance company, and in this magazine you will find one of these advertisements. I am sorry my friend Woods is not here, from Pittsburg, because I want Woods to prove for me a thing which I am going to tell you. I know Woods landed a policy for just one-half million on one of these advertisements. The man he landed when he read the advertisement in this magazine wrote to Paul Morton asking why he paid for good space advertising Elbert Hubbard. He said, "Is he such an important factor in your mind as this?" Paul Morton sent this man a lettergram of fifty words saying, "Your letter received. We advertise Elbert Hubbard in order that you may write to us and ask us why we advertise Elbert Hubbard. Our agent will call on you tomorrow morning at 10:30 and explain in detail."

Woods called on this man the next day. The man was interested in the advertisement and sat down and wrote a letter. Now this advertisement had a point that this man had never considered. He carried a little life insurance to provide for his dear ones, but he could not interest his wife in life insurance, because she said, "Bill, I can't think of the time when you will be absent." And she would not listen to it.

She was like the woman who, when asked by another woman if she had read Elbert Hubbard's essay on "Silence," Mrs. Wiseheimer said: "I have read extracts from it (laughter) and that's enough for me." You see she was a prejudiced party and this Pittsburg man was a prejudiced party, and his wife was a prejudiced party, and I think his prejudices were largely in his wife's name. She said: "Say, Bill, if we have any money to spend we will buy a Chalmers-Forty and we will have a good time now."

Well, that is a reasonable idea, too, but when this man read this advertisement he did not find a word in it about death and separation. That sad subject of parting was kept out of his mind and

ANOTHER VIEW OF LIFE INSURANCE

was put before him. The life insurance agent got the man who wrote the letter to Paul Morton to telephone up for his wife to go with them to lunch and they would talk it over.

A beneficiary of a life insurance policy is the man upon whose life it is written. You get your returns every day. A woman said to me the other day—she was not very old—she was a widow (laughter); she was what they call down in Indiana "a widow woman." (Laughter.) She says "I have been reading your advertisements on life insurance policies and life insurance in general and if you will find me a five hundred thousand dollar man I will marry him—unseen." I said: "You are mercenary in advance; if this money is made payable to me I'll will it to any charitable institution you can name."

What I mean is this, that any man who can get five hundred thousand dollars on his life is a safe man and this very fact makes him a better man. I can tell a five hundred thousand dollar man as I see him walking down the street. Life insurance is not a duty, it is a privilege. This woman said to Bill: "I wonder if you could get five hundred thousand dollars on your life?" She said: "You are a decent fellow and I know it, but everybody does not know it" and the idea grew on her that she could love this man still more if she realized that the world had placed its commercial stamp on him and marked him five hundred thousand dollars O. K.

Mr. Hubbard spoke for more than an hour, and at the close was given a rousing vote of thanks. Immediately thereafter Sir George W. Ross, of Canada, president of the Life Assurance Company and member of the Canadian Senate, was introduced. The following are extracts from the address:

SIR GEORGE W. ROSS ON RECENT CANADIAN INSURANCE LEGISLATION.

Before discussing the recent changes in the insurance laws of Canada it might be interesting briefly to glance at the extent of life insurance in Canada, and how it is divided between Canadian and outside companies.

The aggregate life insurance in force in Canada (omitting insurance conducted on the assessment plan) on January 1, 1910, was $780,370,232, representing 1,025,371 policyholders, and divided as follows:

	Ordinary.	Industrial.
Twenty-three Canadian companies	$494,190,870	$21,224,567
Fourteen British companies	46,998,444	.....
Sixteen American companies	171,248,452	46,707,899
Total	$712,437,766	$67,932,466

Two Canadian and two American companies write industrial insurance, but no British company. Of the fourteen British companies eight have practically retired, and of the sixteen American companies four have retired from business in Canada, viz., the Connecticut Mutual, National Life of the United States, North Western Mutual and Phœnix Mutual. This leaves life insurance in Canada in the hands of forty-one companies. Of the Canadian companies, nine do business outside of Canada and carry $131,294,683 of insurance, spread over every continent on the globe.

The growth of insurance in Canada during the last thirty years is worthy of notice. In 1879 the total insurance in force was $86,273,702, of which the Canadian and American companies carried almost an equal amount, viz., Canadian companies, $33,246,-

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543; American companies, $33,616,330; British companies, $19,410,829. Thirty years later the business was distributed as follows: Canadian companies, $515,415,437, an increase of 1,450.3 per cent.; British companies, $46,998,444, an increase of 142.1 per cent.; American companies, $217,956,351, an increase of 548.4 per cent.

In the last thirty years large and well managed companies have been organized that adopted modern methods of doing business (for which they were indebted to the experience of the older American companies), and have covered the country with accomplished and capable agents. Insurance business in Canada is daily becoming more of a profession, as it should be, and an insurance expert is as highly prized as an expert in any other calling. Besides, in the last thirty years Canada has greatly prospered. Thousands of people who could hardly afford to divert the premium on a thousand dollar policy from their business can now afford to take out a policy for ten, twenty thousand, and often for much larger amounts. * * No doubt the disclosures of the Armstrong commission affected the growth of the American business in Canada for a few years. The growth of the last three years would seem to show, I am delighted to be able to say, that public opinion has entirely recovered from the suspicions excited by these disclosures. The low rate of lapses in British companies is doubtless owing to the fact that they are doing very little new business.

DEATH CLAIMS

in Canada in 1909 amounted to $8,072,269, distributed as follows: Canadian companies, $4,982,034; British companies, $801,073; American companies, $2,289,162, or .97 per cent. on the aggregate business of Canadian companies, 1.7 on British companies, and 1.05 on the insurance of American companies doing business in Canada.

After stating that the new insurance act had been under consideration in various forms since 1905 and that it would probably now stand many years without change, the speaker continued:

I notice that in the United States insurance companies are subject to as many different laws and regulations as there are States in the Union. This must be very embarassing to managers and directors. The insurance laws of Canada apply precisely the same terms to all companies, whether Canadian, British or American. All are under the same obligations to the State and to the policyholders, all are subject to the same inspection, and are required to report on their standing annually in similar terms. The man who prefers an outside company is not penalized because of his preference, and for all practical purposes he is as fully protected as if he lived under the same roof as the company whose policy he holds.

Sir George gave a detailed synopsis of the Canadian insurance law, and the regulations of the Insurance Department. Continuing he said:

Some of the amendments made to the Canadian act were suggested by the Armstrong act of New York; some by the acts in force in other States. The insurance companies of Canada considered that the Armstrong act interfered unnecessarily with directors and agents, and imposed upon companies many unreasonable conditions not required in the public interest. The Canadian companies, while willing to submit to legislation which would protect the public, objected strongly, and in the main successfully, to be regarded as unworthy of being entrusted with the management of a business which they had themselves created and which their clients were willing to confide to their keeping. And so, I think, we have escaped from that degree of legislative bondage which threatened us three years ago, and which would have made the business of life insurance as irksome as a ball and chain to the occupants of a public reformatory. Insurance companies are not on ticket of leave just yet—and not likely to be so long as they are under the control of men such as I know compose this association.

As a parting word let me say that I hope the friendly rivalry that now exists between Canadian and American companies will long continue, and that the international relations which have given us nearly 100 years of peace—blessed and prosperous peace—will not be shattered by the madness of either Government so long as the music of the morning stars rings through the corridors of time.

ELECTION OF OFFICERS.

Chicago was chosen as the place for the convention in 1911 and the following officers were elected: President, Henry J. Powell, Equitable, Louisville; first vice president, J. D. Spencer, New York Life, Salt Lake City; second vice president, J. J. Jackson, Ætna, Cleveland; third vice president, William McBride, North American Life, Winnipeg, by virtue of his presidency of the Canadian Association; secretary, N. D. Sills, Sun Life of Canada, Richmond, Va.; treasurer, Eli D. Weeks, Phœnix Mutual, Connecticut; chairman executive committee, Percy V. Baldwin, Travelers, Boston.

A strong resolution indorsed the action of the National Convention of Insurance Commissioners on stock promotions as follows:

Whereas, The National Convention of Insurance Commissioners of the United States at its last annual meeting, August 19, 1909, by an elaborate series of resolutions, in the first place directed public attention to "the widespread traffic which has come into existence in many of the States, consisting of the sale to the public through soliciting agents of the stock of newly organized or projected insurance corporations, or of holding companies, or so called investment or security companies, whose principal assets consist of such stocks," and then proceeded to show in detail that this traffic is commonly carried on with ruinously large promotion expenses, with misleading and deceptive representations and without proper provision for capable and reliable insurance management, and concluded with the two following resolutions, viz.:

Resolved, That we pledge ourselves to put forth our best endeavors in all practicable and proper ways to put an end to this traffic, which we believe is pernicious and wholly indefensible, and will result in widespread disappointment and financial loss to the public and the serious injury and demoralization of the legitimate insurance business, doing a special harm to the legitimate progress and development of the smaller and younger companies. Be it further

Resolved, That we recommend the passage by the various States of laws requiring that the capital stock of all insurance corporations shall be fully paid in cash before a charter is issued and prohibiting the licensing to transact insurance business of any corporation formed if the expenses of its organization and of placing its stock have exceeded 5 per cent. of the total contribution by its stockholders.

Now be it resolved by the National Association of Life Underwriters in annual convention assembled, That we heartily indorse and adopt the said resolution of the National Convention of Insurance Commissioners, and pledge our active aid and support to the commissioners in opposing said pernicious traffic, and in seeking the passage of the said laws as to the chartering and licensing of insurance companies; and be it further

Resolved, That, in view of the fact that this pernicious traffic often does its injury and reaps its illgotten gains before coming to the point of charter or license, and often extends into other States than those having original jurisdiction over the promoters or the corporation, and in view of the passage in 1910 of an amendment to the laws of New York expressly designed to reach these phases of said traffic, we earnestly recommend the passage of similar laws in other States, and pledge our active aid toward securing such legislation.

A silver trophy prize was offered by former President Charles Jerome Edwards to the association making the largest membership increase the coming year. Second and third prizes were offered by President Whittington and Secretary Waite.

There was another period of five minute discussions, after which the convention closed with a brief address by President Whittington, who referred with feeling to the friends he had made in association work, and urged them to keep in touch with him in the future.

P. V. Baldwin, of Boston, referred to the year just closed as the most successful in the history of the association, and moved a vote of thanks to the retiring officers, which was passed with cheers. C. W. Scovel, of Pittsburgh, spoke of the retirement from active ranks of Frank E. McMullen, who is soon to become a company official, and moved a vote of confidence and best wishes. This was also carried, which honor Mr. McMullen acknowledged in fitting manner.

The banquet Saturday night was an enjoyable affair, about 250, including ladies, being in attendance. The dinner was very good, and the evening was enlivened by popular airs rendered by an orchestra. President Whittington did himself credit as toastmaster, and the two particular stars of the evening were Vice President Wilson, of the Equitable, and Insurance Commissioner Barry, both of whom were roundly applauded. In more serious vein C. W. Pichell, of Detroit, in a well prepared address,

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sketched eloquently the steadfastness of purpose of the National Association. Dr. Elliott, a local divine; Wm. T. Gage, Detroit manager of the Northwestern Mutual Life, and President-elect Powell also spoke briefly.

1894 1910

The State Life Insurance Company

Indianapolis

UNEQUALED IN SOLID ACHIEVEMENT

Assets Dec. 31, 1909, $8,580,830.58. Surplus 1909, $1,174,606.84.

GROWTH UNPARALLELED

	Gain in Admitted Assets	Gain in Surplus
1907	$1,001,409.00	$37,775.00
1908	1,023,700.00	153,161.00
1909	1,201,977.14	314,044.74

Eight Million Dollars in Securities Deposited With the State of Indiana.
This is $848,861 more than is required by law.

MOST ATTRACTIVE AGENCY CONTRACTS
Our Own Idea.
Every Contract Direct With the Company.
Scores of Good Men Have Joined the State Life Field Force since January 1, 1910.
On all Agency matters address: CHAS. F. COFFIN, 2d Vice-Pres., 1231 State Life Building

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SUPERIOR POLICIES
KIMBALL C. ATWOOD, President,
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EXCELLENT OPPORTUNITY
FOR
DIRECT AGENCY CONTRACT.

The Manhattan Life
INSURANCE CO.

of New York desires to make direct contracts, with good producers, for unoccupied portions of the following States: New York, New Jersey, Pennsylvania, Kansas, Idaho and Washington. The usual commission contracts with allowance for office expenses will be made. The policy forms of the Company are up-to-date, the premium rates are low and the annual dividends attractive.

Home Office: 66 BROADWAY, NEW YORK.

"Live Articles on Special Hazards"

This is the title of a handbook on Special Hazards which every inspector, examiner, local and special agent should possess. The articles are reprinted from the Monthly Fire Insurance Supplement of THE WEEKLY UNDERWRITER, for which they have been especially prepared by experts. Descriptions are given of the processes of manufacture and the physical characteristics of the risk, and the hazards are pointed out in detail. The book contains 80 pages, size 4½x6½ inches, handsomely bound in cloth, easy to carry in the pocket. It contains the following articles:

Paint and Varnish Factories.....by A. G. Patton
Clothing Manufacture .....by E. R. Hardy
Metal Workers .....by C. C. Dominge
Patent and Enameled Leather Risks...by H. G. Howe
Storage Warehouses .....by R. D. Owen
Breweries .....by J. M. Boylan
Theatres .....by C. C. Dominge
Cotton Mills .....by A. G. Wilbor
Soap Factories .....by E. O. Torbohm
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Tobacco Industry.....by I. G. Hoagland

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CHARLES E. PARKER WILLIAM H. SMITH

NEW ENGLAND DEPARTMENT
(Established 1865)
INSURANCE COMPANY OF NORTH AMERICA
PHILADELPHIA UNDERWRITERS
ALLIANCE INSURANCE CO.
CHARLES E. PARKER & CO.
MANAGERS
HARTFORD, CONN.

WHILDEN & HANCOCK
105 William St., New York

UNITED STATES MANAGING UNDERWRITERS
Monongahela Insurance Company of Pittsburgh, Pennsylvania.
Scranton Fire Insurance Company of Scranton, Pennsylvania.

EASTERN MANAGERS
Austin Fire Insurance Company of Texas.
Commonwealth Fire Insurance Company of Texas.
Republic Underwriters of Texas.
Central National of Chicago, Illinois.

GENERAL AGENTS
German American Insurance Company of Pittsburgh, Pennsylvania, New York and New York Suburban.
Philadelphia Underwriters of Philadelphia, New York and New Jersey Suburban Territory.
Pacific Coast Casualty Company of San Francisco, Cal., (Liability, Bond, Fidelity, Court, Contract, Plate Glass and Burglary Insurance,) New York and New Jersey.
Pacific Mutual Life Insurance Company, Accident and Health Department, and Pacific Mutual Indemnity Company of California, New York and Northern New Jersey.

Legitimate Excess Lines Placed Throughout the United States and Canada in Companies which we can Fully Recommend.

Prompt Attention Given To All Orders

The Continental
Fire) Insurance Company
OF NEW YORK

To represent the Continental is to represent supreme loss paying power, square dealing, progress and success.

Why not apply for a Continental Agency?

HOME OFFICE: 46 Cedar Street NEW YORK
WESTERN OFFICE: 280 La Salle Street CHICAGO

HENRY EVANS, President

Incorporated 1855

THE
JEFFERSON FIRE
INSURANCE COMPANY
OF PHILADELPHIA

In Business Fifty-four Years. Surplus to Policy-Holders, Over $450,000.

AGENCY DEPARTMENT, 425 WALNUT STREET, PHILADELPHIA.

AGENTS WANTED AT ALL DESIRABLE POINTS.

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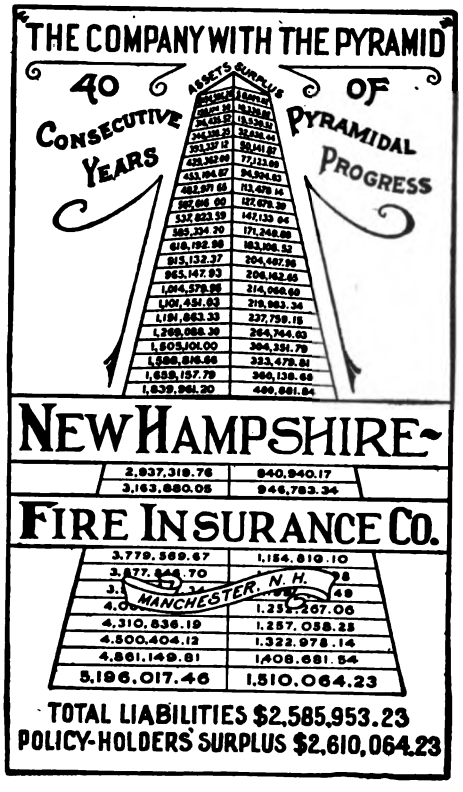
Phœnix

Assurance Company Limited ✦ Of London

Established 1782

Head Office, United States Branch,
45-47-49 Cedar St., New York



201st YEAR

SUN

INSURANCE OFFICE OF LONDON

Founded 1710

U. S. Branch: 54 Pine Street, New York

Western Department:
171 La Salle Street, Chicago

Pacific Department:
Sansome and Sacramento Streets, San Francisco, Cal.

AGENTS WANTED AT UNREPRESENTED POINTS

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The Northwestern
Mutual Life Insurance Co. of Milwaukee

GEO. C. MARKHAM, President
A. S. HATHAWAY, Secretary

New Business Paid-For

1905	$ 90,334,038
1906	93,563,452
1907	102,233,634
1908	109,685,428
1909	113,716,188

Each year larger than any in the previous history of the Company.

Commenced Business 1858

INSURANCE MEN will note the significant increase in The Northwestern's new business during the past five years.

IMPORTANT FACTS relating to this business are shown by the following percentages:

	Expenses	Mortality	Interest
1905	12.15	67	4.73
1906	11.76	59	4.72
1907	11.81	58	4.76
1908	10.76	59	4.84
1909	10.63	54	4.85

It is capable of easy demonstration that The Northwestern is the best Company to insure in.

See The Northwestern's new (1910) policy contract with its Dividend Options, Paid-up and Endowment Options, Options of Settlement and the Premium Loan Features.

Issues Partnership and Corporation Insurance.

For further information or an Agency, address

H. F. NORRIS,
Superintendent of Agencies.

The Liverpool & London & Globe Ins. Co.
LIMITED

ESTABLISHED 1836. ENTERED THE UNITED STATES, 1848

NEW YORK OFFICE:
WILLIAM AND PINE STREETS.

NEW ENGLAND, NEW YORK, PENNSYLVANIA, NEW JERSEY, OHIO, INDIANA, KENTUCKY, TENNESSEE, MARYLAND, DELAWARE, DISTRICT OF COLUMBIA, VIRGINIA, WEST VIRGINIA, NORTH AND SOUTH CAROLINA.

H. W. EATON, Manager.
GEO. W. HOYT, Deputy Manager.
J. B. KREMER, JR., T. A. WEED, } Agency Superintendents.

CHICAGO OFFICE:
203-205 LA SALLE STREET.

ILLINOIS, MICHIGAN, IOWA, WISCONSIN, MINNESOTA, MISSOURI, KANSAS, NEBRASKA, COLORADO, NORTH AND SOUTH DAKOTA, MONTANA, UTAH, WYOMING AND NEW MEXICO.

W. S. WARREN, Manager.
GEO. H. MOORE, Assistant Manager.
HUGH R. LOUDON, Deputy Asst. Manager.

NEW ORLEANS OFFICE:
CORNER CARONDELET AND COMMON STREETS.

LOUISIANA, MISSISSIPPI, ALABAMA, ARKANSAS, OKLAHOMA, GEORGIA, FLORIDA, TEXAS.

CLARENCE LOW, Manager.
J. G. PEPPER, Assistant Manager.
THOS. H. ANDERSON, Deputy Asst. Manager.

SAN FRANCISCO OFFICE:
444 CALIFORNIA STREET.

CALIFORNIA, NEVADA, OREGON, WASHINGTON, IDAHO, ARIZONA, ALASKA.

CHARLES D. HAVEN, Manager.
C. MASON KINNE, Assistant Manager.
JOHN W. GUNN, Deputy Assistant Manager.

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PHOENIX

ASSURANCE COMPANY, LIMITED, OF LONDON

(ESTABLISHED 1782)

LOSSES PAID, OVER - - - - $200,000,000

HEAD OFFICE FOR THE UNITED STATES

47 CEDAR STREET, NEW YORK CITY

A. D. IRVING, JR., SECRETARY — LOUIS P. BAYARD, PERCIVAL BERESFORD — JOINT MANAGERS

HARTFORD LIFE INSURANCE COMPANY

CHARTERED FORTY-THREE YEARS

GEO. E. KEENEY, President. THOMAS F. LAWRENCE, Secretary

1909 Policy Contracts are Participating and Non-Participating. Annual or Deferred Dividends—Rates revised and made lower. Values based upon the FULL RESERVE. Desirable Contracts for Producers. Address—

Second Vice-President, Home Office, HARTFORD, CONN.

1825. THE 1910.

Pennsylvania Fire Insurance Company

OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,349,097.67
Surplus	2,233,426.43
Total January 1, 1910	$7,332,524.10

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

INCORPORATED 1851.

Berkshire Life Insurance Company

OF PITTSFIELD, MASS.

All Policies issued by the Company are subject to the Massachusetts Non-Forfeiture Law.

JAMES W. HULL, President.
W. D. WYMAN, Vice-Pres. and Treasurer. J. M. LEE, Actuary.
THEO. L. ALLEN, Sec. ROBT. H. DAVENPORT, Asst. Sec.

Agencies in all the principal cities of the United States.

BRITISH AMERICA ASSURANCE CO., INCORPORATED 1833.

Head Office: TORONTO, CANADA.

UNITED STATES BRANCH.

JANUARY 1, 1910

Assets	$1,556,740.94
Liabilities	902,438.61
Net Surplus	$654,302.33

HON. GEO. A. COX, President. W. R. BROCK and JOHN HOSKIN, K.C., LL.D. Vice Presidents.

W. B. MEIKLE, General Manager.

Equitable Accident Company

161 DEVONSHIRE STREET, BOSTON, MASS.

"THE COMPANY THAT WORKS WITH YOU"

CAPITAL, - - - - - - - - - - $100,000.00
SURPLUS TO POLICYHOLDERS, - 182,372.07

Accident and Health Insurance
Commercial and Industrial Departments
Attractive Policy Forms—Liberal Commissions

WM. H. JONES, General Manager

QUEEN

Ins. Co. of America.

New York

The Philadelphia Casualty Company

WALTER LE MAR TALBOT, President

Our New Accident Policy is Perfection

IT'S THE POLICY YOUR CLIENT WANTS
IT'S THE POLICY THAT'S EASY TO SELL

Personal Accident, Health, Liability, Automobile, Plate Glass and Credit Insurance.

AGENCY CORRESPONDENCE SOLICITED

The Columbian National Life Insurance Co. of Boston, Mass.

LIFE, ACCIDENT AND HEALTH INSURANCE

The Only Massachusetts Non-participating Company.

The New Columbian Policies are Unexcelled in Clearness and Liberality. Good Contracts and Territory for Good Producers.

ARTHUR B. CHILDS, President

COMMERCIAL UNION ASSURANCE CO.

LIMITED,

OF LONDON.

OFFICE:

Cor. Pine & William Sts., New York

Liability — Accident
Boiler — Disability
Plate Glass — Fly Wheel
Automobile Liability and Defence
Employers' Compensation
Insurance

Casualty Company of America

HOME OFFICE KUHN-LOEB BUILDING 52-54 WILLIAM STREET NEW YORK

Insurance Brokers

PLACE YOUR

SURETY AND CASUALTY

BUSINESS IN THE

"Empire"

CAPITAL, $500,000

Business producers not now under contract wanted for open territory

Address AGENCY DEPARTMENT

THE EMPIRE STATE SURETY CO.

84 William St., NEW YORK.

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NATIONAL POLICIES SATISFY THE PUBLIC

NATIONAL CONTRACTS SATISFY THE AGENT

Territory open. Write for terms.

THE CONNECTICUT MUTUAL

That means the best life insurance to have and the best to sell. If you can sell life insurance, you can sell more of it for the CONNECTICUT MUTUAL.

Men of character and ability are invited to apply.

CONNECTICUT MUTUAL LIFE INS. CO., Hartford, Conn.

Please mention this paper

1860 50TH YEAR 1910

HOME LIFE INSURANCE COMPANY

OF NEW YORK.

GEORGE E. IDE, President

ASSETS, $23,626,018.63 LIABILITIES, $21,858,691.52 (Including Deferred Dividend Fund)

Dividend-Endowment Fund (Deferred Dividends)	$2,119,044.00
Net Surplus	1,767,327.11
Insurance in Force	92,532,583.00

The Record for 1909 shows the following GAINS:

Insurance in Force	$4,164,239.00
Assets	1,917,117.00
Deferred Dividend Reserve	148,581.00
Contingency Reserve (Surplus)	655,149.17

OLDEST IN AMERICA STRONGEST IN THE WORLD

The Mutual Life

Insurance Company of New York

Mutual Life Agents Make Most Money Because Mutual Life Policies Sell Most Freely

For terms to producing agents address:

GEORGE T. DEXTER, 2d Vice-President,

34 Nassau Street, New York, N. Y.

[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1, 1910

CAPITAL

$1,500,000

RESERVE FOR ALL OTHER LIABILITIES

8,222,018

NET SURPLUS

6,440,211

ASSETS

16,162,229

GERMANIA FIRE INSURANCE COMPANY

Organized 1859 **NEW YORK**

Cash Capital	$1,000,000.00
Assets	$6,562,329.14
Net Surplus	$2,008,419.02
Surplus for Policy Holders	$3,008,419.02

HEAD OFFICE: Cor. William and Cedar Streets

The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1910	$3,470,509.30
Total Liabilities, except Capital	1,920,837.24
Capital	500,000.00
Surplus to Policyholders	1,549,672.06

F. F. BUELL, Special Agent, Troy, N. Y.

Provident Life and Trust Co.

OF PHILADELPHIA.

The Provident has been particularly distinguished for the development of a highly trained force of agents. The systematic instruction which its agents receive has resulted in their being recognized as representatives of exceptional knowledge of the business and of marked efficiency.

Insurance Company of North America

FOUNDED 1792

232 Walnut Street, Philadelphia

Assets, January 1, 1909 ..... $12,014,062.63

LIABILITIES—Reserved for Reinsurance and all other claims	$7,263,156.97	
Capital Stock	3,000,000.00	
Surplus over all Liabilities	1,750,905.66	$12,014,062.63

Agents in all the principal towns and cities.

EUGENE L. ELLISON, President.

T. HOUARD WRIGHT, Secretary. HENRY W. FARNUM, Assistant Secretary.

BENJAMIN RUSH, Second Vice President. JOHN O. PLATT, Assistant Secretary.

Surplus to policyholders, $4,750,905.66.

Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

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HOME OFFICE OF THE

Metropolitan Life Insurance Co.

INCORPORATED BY THE STATE OF NEW YORK

The Company OF the People, BY the People, FOR the People.

PROOF OF PUBLIC CONFIDENCE

This company has more premium paying business in force in the United States than any other Company, and for each of the last 16 years has had more New Insurances accepted and issued in America than any other Company.

The number of Policies in force is greater than that of any other Company in America, greater than all the Regular Life Insurance Companies put together (less one), and can only be appreciated by comparison. It is a greater number than the Combined Population of Greater New York, Chicago, Philadelphia, Boston, St. Louis, Cleveland, Cincinnati, San Francisco, Pittsburg, Baltimore, New Orleans and Buffalo.

ASSETS.

Municipal and R. R. Bonds and Stocks	$123,346,161.39
Bonds and Mortgages	105,183,172.02
Real Estate	23,311,215.72
Demand Loans on Collateral	172,930.00
Cash	5,420,643.42
Loans to Policyholders	11,193,245.61
Premiums, deferred and in course of collection (net)	5,190,288.45
Accrued Interest, Rents, etc.	3,290,211.85
Total	$277,107,868.46

LIABILITIES.

Dividends payable in 1910	$6,938,793.66
Reinsurance Fund and Special Reserves	237,213,384.00
All other Liabilities	3,053,470.82
Capital and Surplus	29,902,219.98
Total	$277,107,868.46

Largest Office Building in the World—Madison Avenue, Fourth Avenue, 23d Street and 24th Street, New York City.

SIGNIFICANT FACTS

This Company's Policy-claims paid in 1909 averaged in number one for every 63 seconds of each business day of 8 hours each and in amount $140.81 a minute the year through.

THE DAILY AVERAGE OF THE COMPANY'S BUSINESS DURING 1909.

456 per day in number of Claims Paid.
6,535 per day in number of Policies placed and paid for.
$1,463,755 per day in New Insurance placed and paid for.
$183,408 75 per day in Payments to Policyholders and addition to Reserve.
$132 172.72 per day in Increase of Assets.

OFFICERS

JOHN R. HEGEMAN	President
HALEY FISKE	Vice President
GEORGE H. GASTON	2d Vice President
GEORGE B. WOODWARD	3d Vice President
FRANK O. AYRES	4th Vice President
F. F. TAYLOR	5th Vice President
JAMES M. CRAIG	Actuary
STEWART L. WOODFORD	Counsel
WM. J. TULLY	General Solicitor
FREDERICK H. ECKER	Treasurer
WALTER STABLER	Comptroller
JAMES S. ROBERTS	Secretary
JOHN R. HEGEMAN, JR.	Asst. Secretary
J. J. THOMPSON	Assistant Secretary
T. R. RICHARDSON	Assistant Secretary
GEORGE B. SCOTT	Assistant Secretary
FREDERICK A. BETTS	Assistant Secretary
GEORGE C. PENHALLOW	Asst. Secretary
THOMAS H. WILLARD, M. D.	Med. Direct.
AUGUSTUS S. KNIGHT, M. D.	Med. Direct.
W. S. MANNERS, M. D.	Asst. Med. Direct.
E. M. HOLDEN, M. D.	Asst. Med. Direct.
D. M. GEDGE, M. D.	Asst. Med. Direct.

I. J. CAHEN.....Manager Ordinary Dept.
LEE K. FRANKEL, PH. D..Mgr. Indus'l Dept.
J. BERGEN OGDEN, M. D..Asst. Med. Direct.
JACOB CHADEAYNE..Mgr. Interm'd'e Branch

Paid to Policyholders since Organization, plus the Amount now invested for their Security, $537,223,523.83.
Number of Policies in Force, 10,621,679. Amount of Outstanding Insurance, $2,041,951,700.00.

A GREAT SIX MONTHS!

We closed the first half of 1910 with a rousing increase in new business over our record for the first half of highly prosperous 1909.

In policies and dividends we have what the public wants. In literature and canvassing aids we have what the agent wants. And back of all is a reputation gained from 59 years of activity as a Massachusetts Company.

If you are a genuine producer, a *delivering* producer, and wish to join our forces, address

GEORGE D. LANG, Superintendent of Agencies

MASSACHUSETTS MUTUAL LIFE INSURANCE CO.

SPRINGFIELD, MASSACHUSETTS

INCORPORATED 1851

National Life Insurance Co.

MONTPELIER, VERMONT.

Established in 1850. Operating in 36 States.

JOSEPH A. DEBOER, President.

FRED A. HOWLAND, Vice-Prest. OSMAN D. CLARK, Secretary.
JAMES B. ESTEE, 2d Vice-Prest. H. M. CUTLER, Treasurer.
A. B. BISBEE, Med. Director. C. E. MOULTON, Actuary.

This Company held January 1, 1910, and gained during the past decade:

ASSETS,	$47,490,998.98	-	Gain, 167%
LIABILITIES,	41,661,130.12	-	Gain, 162%
SURPLUS,	5,829,868.86	-	Gain, 211%
INSURANCE,	161,428,115.00	-	Gain, 79%

ABSOLUTE SECURITY AND ECONOMY OF MANAGEMENT

J. G. WALKER, President.
T. WM. PEMBERTON, 1st Vice-Pres. W. L. T. ROGERSON, 2nd Vice-Pres.
E. D. HARRIS, Secretary.

Organized 1871.

Life Insurance Company of Virginia

HOME OFFICE, RICHMOND, VIRGINIA

The OLDEST Southern Life Insurance Company.
The LARGEST AND STRONGEST Southern Life Insurance Co.
The PIONEER Southern Industrial Life Insurance Company.

Its policies are clear and definite in their provisions, and their values are absolutely guaranteed.

Assets, December 31, 1909	$5,872,691.99
Liabilities, December 31, 1909	4,812,405.82
Insurance in force December 31, 1909	68,887,613.00
Total payments to policyholders since organization	9,820,412.49

Have You Reached Your Salary Limit?

If you believe you can do better in another line, Life Insurance selling offers you a great opportunity.

Write us today about an agency.

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA.

Incorporated as a Stock Company by the State of New Jersey.

JOHN F. DRYDEN, President Home Office, Newark, N. J.

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HALL & HENSHAW

FIRE UNDERWRITERS

67-69 William Street **NEW YORK**

Offer the Policies of the following named companies for legitimate surplus lines only:

EXCESS INSURANCE COMPANY, LTD., OF LONDON

HEARTS OF OAK LIFE AND GEN'L ASS'CE CO., LTD., OF LONDON

NATIONAL GENERAL INSURANCE COMPANY, LTD., OF LONDON

NYE DANSKE FIRE INSURANCE COMPANY, OF COPENHAGEN

LLOYDS OF LONDON

Foreign Department. The only office in the United States equipped to furnish to American owners fire insurance protection on property located in foreign countries in all parts of the world. Insurance accepted for any amount in strong British Companies, and policies issued from this office under power of attorney.

A Record, extending over a period of more than half a Century, of uniform fair dealing, obligations ungrudgingly fulfilled and promises promptly and faithfully kept **means something.** Such a record is presented by

THE HOME INSURANCE COMPANY

NEW YORK

ELBRIDGE G. SNOW, President **Main Office, 56 CEDAR STREET** ORGANIZED 1853

CASH CAPITAL, $3,000,000

Assets, January 1st, 1910	$27,307,672
Liabilities (including Capital)	14,924,835
☞Reserved as a Conflagration Surplus	1,200,000
☞Net Surplus over All Liabilities and Reserves	11,182,837
☞Surplus as regards Policy-holders	15,382,837

Insures against loss of real and personal property, rental income, use and occupancy, earned profits and commissions by FIRE, LIGHTNING, WIND-STORM, INLAND TRANSPORTATION and AUTOMOBILE RISKS.

Property Owners, Mortgagees, Executors and Trustees desiring the best and surest insurance will appreciate the fact that the **net** assets of **THE HOME—the surplus funds reserved for the exclusive protection of its policy-holders**—are greater than those of any Fire Insurance Company operating in this Country.

LOSSES PAID SINCE ORGANIZATION, OVER $121,000,000

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SEP 26 1910
CAMBRIDGE,

The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1858.

VOL. LXXXIII. NEW YORK, SATURDAY, SEPTEMBER 24, 1910. No. 13.

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK. Secretary.

THE growing importance of associated effort by accident and health insurance companies was emphasized at Bretton Woods this week at the annual meeting of the underwriters in those branches of insurance. There is a call for a reform in the construction of policies, which can only be accomplished by mutual agreement, and if this cannot be had the business is full of abnormal hazards for the insurer. Fortunately the disposition was strongly evinced at the meeting to remove the causes of trouble, even though it involved individual sacrifice by every one. As President Faxon declared, "Never before has there been greater willingness manifested by the companies to sacrifice their individual preferences." This spirit of desire to work for the common good seemed to pervade all the proceedings of the convention, and it will inevitably bear fruit in benefit for the members personally. There was a large attendance of the representative companies of the country at this year's meeting, and it was in every way full of promise of advantage to a specialty that is increasing by leaps and bounds, and bids fair to become one of the largest of the institutions of civilization.

AT the Bretton Woods convention this week Professor Fisher, of Yale, discoursed on insurance company investments. There is no factor in the upbuilding of a life insurance company, for instance, more important than a remunerative investment of its funds, provided it be a safe one. The professor's plea was for an investment by insurance companies in the means to prevent or to reduce the volume of invalidism, and thus lengthen life and modify the mortality ratio. He held that returns on investments in health by insurance companies were often several thousand per cent. per annum, and that no opportunity for such rich returns exist in any other field of investment. A concrete example furnished by Mr. Messenger, actuary for the Travelers, was cited in which it appeared that if insurance companies should combine to contribute $200,000 a year for the purpose of improving the public health the cost would be one-eighth of one per cent. of the premiums, and it would be reasonable to expect a decrease in death claims of more than one per cent. Even this one per cent. would make a profit of more than seven times the expense. In summing up the professor said:

Actuaries' tables show that a reduction of one-third in mortality would enable the premium to be reduced by over 15 per cent. The conclusion seems safe that here is a rich, unexploited field for saving money. And the beauty of it is that these gains bring with them gains far more precious to the nation than dollars—immeasurable gains of longevity, vitality, efficiency and happiness. Life, health and accident insurance is not philanthropy, but it is a beneficent business. Though at first glance it might seem that to prevent the pollution of streams, to improve the milk supply, to obtain pure foods, and freedom from accident is no part of the business of insurance, yet it is easy enough to see the very vital connection. By far the larger part of the cost of the insurance business is not management nor agent's fees, but the cost of mortality and invalidity. It is the right, if in fact it is not the duty, of any business to reduce its cost. To pare down salaries might not save the policyholder 1 per cent. of his premium, but to reduce mortality cost might save him many per cent.

The moral of all this is that the life and accident insurance companies should follow the health investment policy of the Metropolitan, Provident Savings and New York Life insurance companies.

INSURANCE executives will watch with considerable interest the deliberations of the insurance commissioners at their annual convention next week, and some insight into the projected legislation of the coming season may be gleaned from a study of the attitude of these officials toward the subjects which will come up for discussion. Action will be taken in regard to stock dividends by life insurance companies from alleged profits of the non-participating business, and the convention will endeavor to devise some scheme to prevent such acts. Fraternal insurance will come in for its share of discussion. The Associated Fraternities of America, composed of younger orders, the National Fraternal Congress and the Modern Woodmen have decided that their differences are irreconcilable, and have decided not to try to reach a compromise in a uniform supervision bill. Most of the larger and more solid orders recognize the fact that all fraternal concerns are actuarially insolvent, and that sooner or later there will be a crash unless a method of reaching solvency, which is not impossible for the majority, is soon reached. If the commissioners can offer some solution for this vexing problem they will have accomplished a noble work in safeguarding the interests of thousands of policyholders dependent upon this kind of insurance. On the subject of fire insurance it is doubtful if State regulation of rates will be dabbled with much further until the result of investigations in Illinois and New York are made known. The experiments in Texas, Kansas and Louisiana have not proven the howling successes which their advocates predicted, and a tendency is manifested to go slow in recommending rate legislation. The question of loss and claim reserves of liability, casualty and surety companies will be threshed out, and it is not unlikely that the discussion will include the reinsurance reserve of fire insurance companies. The reinsurance this week of the Shawnee Fire by the National of Hartford resulted in temporarily interrupting the examination of the Shawnee by the departments of Kansas, Minnesota and Virginia. The examination had proceeded far enough, it is said, to develop gross irregularities in sworn

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annual statements, chief of which was the understatement of the unearned premium account. The consensus of opinion is that reserves in all classes of insurance, save possibly life insurance, which is taken care of by actuarial computations, should be materially increased.

Facts and Opinions.

The affairs of the **Shawnee Fire of Topeka** have culminated in the **reinsurance** of the company's business in the National Fire of Hartford. The deal was closed up this week. The Shawnee had reached out and secured a larger volume of business than its capital and surplus would warrant, and the National will thus secure a fine business and plant in Kansas and Oklahoma. The examination, which has been in progress for the Minnesota and Virginia departments by S. H. Wolfe, has been discontinued. Manager J. W. Going will retire from the business. He has been the principal defender of the Kansas State rating law, and has often quoted the Shawnee to prove that a company could thrive under its provisions. A dispatch received from Examiner Wolfe just as we go to press states that his examination had proceeded far enough to develop gross irregularities in sworn annual statements filed with all insurance departments. The unearned premiums accounts, he alleges, had been understated for a number of years past. This and other matters he will report to the National Convention of Insurance Commissioners, whose committee directed the examination.

Those interested in the "higher education" of insurance men will be interested to learn of the comprehensive **plans of the Insurance Society of New York** for the coming season. There will be four meetings, with dinners, during the year, occurring on the fourth Tuesday in October, January, March and May. These meetings will be addressed by special speakers on subjects relating to insurance in general, the first meeting being devoted to marine insurance, the January meeting to casualty, the March meeting to life insurance, and the May meeting to fire insurance. Prominent speakers will be engaged for these meetings. Among those who have already consented to address the society are Mr. Archibald G. Thatcher, of the firm of Wallace, Butler & Brown, a marine insurance specialist, who will address the October meeting, and Mr. Joseph A. De Boer, president of the National Life of Vermont, who will speak at the meeting in March. Further plans call for meetings, without dinners, to be held in November, December, February and April, devoted to fire insurance topics. These meetings will be held at 5:30 p. m. Among the speakers thus far engaged are Mr. R. H. McKelvey, secretary of the Lumber insurance company of New York, whose subject will be "Woodworkers," and Mr. C. R. Pitcher, local secretary of the Royal insurance company, who will take for his subject, "What an Inspector Should Report, and What the Underwriter Should Inspect." Still further plans call for a series of "Round Table Talks" of an informal nature, to be held in the library room, 84 William street, on the second and third Tuesday of each month. These talks will be conducted by a chairman to be elected each month. The chairman for the first month is Mr. W. R. Crane, manager of the schedule department of the North River insurance company, who is also chairman of the executive committee of the Insurance Society. The discussions at the round table will begin promptly at 5:15 p. m., and will last for forty minutes. The capable work of the librarian is being daily appreciated by those who have occasion to refer to the library. New books have been purchased, and, with the old, are well catalogued and arranged. The periodicals are carefully read through, marked and indexed for the convenience of readers.

The **jury** in the trial of President Lewis H. Vail, of the Dutchess Fire insurance company of Poughkeepsie, **failed to agree,** being equally divided as to his guilt. Governor Hughes will be asked to call a special term of court at which a new trial may be had. There was a conflict of evidence between Secretary Graham, who swore that Mr. Vail removed the page from the secretary's book which contained the reinsurance resolution complained of, and Mr. Vail and Mr. Fowler, both of whom testified that the secretary took the book intact after having been instructed to file a note in the minutes stating that the resolution had been inserted by mistake.

The **fire insurance course** at New York University will open on September 29 at the University Place Building. It will be in charge of Instructor E. R. Hardy, who has conducted it since its beginning five years ago. The course covers inspecting, rating, fire protection, office organization, adjustment of losses and brokerage. Practical instruction is given in inspecting and rating. The tuition is $25 for the full course, lasting from September 29, 1910, till the third week in May, 1911. Additional courses are given in insurance law, principles of insurance, and the law of contracts and agency.

The **insurance of the Pittsburg Coal Company,** heretofore placed in stock companies, has been given to London Lloyds. The insurance covers blanket by States, without coinsurance or any reduced rate average clause, the Pennsylvania properties being covered under one form, the Ohio under another, and the other properties along the Great Lakes under a third. The rate is 70 cents, as against a former average of a dollar and a half on the lake properties. It is understood that the amount of the insurance placed in London Lloyds is less than 50 per cent. of the actual values.

It is understood that the **Alliance of London,** which is owned largely by the Rothschilds, has practically decided **to resume business in the United States,** which it abandoned after the San Francisco conflagration, its business having been largely confined to the Pacific Coast territory. Several efforts were made to buy an American company, in order to reduce the liability on the part of the parent company, but these failed. It is understood that the company will eventually seek a premium income of about $5,000,000 a year in the United States.

It is expected that stock companies will **lose** considerable **business in Illinois** as the result of the elimination of coinsurance credits on form policies on coal shafts. A credit of 10 per cent. was allowed, and field men believe that mutuals and non-board companies will get most of the business with this credit eliminated. It is stated, however, that a new schedule is being prepared, which will make the rates about the same as the net tariff after allowing for coinsurance.

An "extreme emergency" exists in the **District of Columbia,** with regard to **assessment insurance companies,** says Acting Insurance Commissioner Daniel Curry in his report to the district commissioners. He urges the immediate amending of the law to cover the need. Insurance premiums of all kinds in the District in 1909 amounted to $5,191,974, of which 92½ per cent. went to foreign companies. The losses of all kinds aggregated $1,999,598.

Efforts have been made to induce the Missouri department to ask for a receiver for the **St. Louis National Life,** the cap-

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ital being somewhat impaired, but a call has been issued for a stockholders' meeting on November 3 to consider a reduction of the capital from $200,000 to $100,000, and a reduction of the par value per share from $100 to $10. Officials of the company declare there is no intention of turning it over to the Citizens National of Louisville.

At the meeting of the **Louisiana Fire Prevention Bureau** last week Fergus G. Lee, vice president of the Sun of New Orleans, and general agent for the Sun of London, the Palatine and the Connecticut Fire, was chosen president; Emerson H. Addington, State agent of the Home, was made vice president, and Sol Bloodworth was elected secretary. There is every prospect of mutual co-operation between the bureau and the new State Rating Board.

As a tribute to **James O'Kane,** who has been connected with the Western department of the Ætna Fire for forty-five years, and who retired on Thursday of this week, his associates on Wednesday presented him with a handsome silver service, suitably inscribed. E. W. Brownell, who recently completed fifty years of service with the company, made the presentation speech. Mr. O'Kane is to return to Cincinnati, his former home.

In commenting on the recent examination of the **Grand Lodge Degree of Honor, A. O. U. W.,** of Minnesota, Insurance Commissioner Hartigan says: "This shows that the society is honestly and economically conducted." The report gives the following figures: Receipts, January 1 to June 30, 1910, $67,394.30; disbursements to June 30, $37,124.94; admitted assets, $118,833.20; liabilities, $13,798.92.

Trouble is looked for at Bloomington, Ill., as the result of the sale of expirations by a local agent to the Assureds' National Mutual of Decatur, a company conducted by Percy B. Sullivan, formerly with the defunct Illinois National Fire. Demoralized conditions are also reported at Buckley, Ill., while attempts are being made to organize a local board at Lincoln to clear up conditions there.

A special meeting of the New York Board of Fire Underwriters was held Friday last as a **memorial to the late Marshall S. Driggs,** president of the Williamsburgh City Fire. Addresses were made by William N. Kremer, president of the board, and by Mr. Henry W. Eaton and Mr. George W. Babb. A suitable resolution will be prepared and filed with the minutes of the board.

A Supreme Court order granted at Elmira, N. Y., this week requires the fraternal insurance order of the **Dukes and Duchesses of Edom** to appear at Norwich September 30, and show cause why the New York Insurance Department shall not take its affairs in charge and terminate the company. The report of the examiner alleges that it does not meet with the requirements of the law.

The **fraternal committee** of the National Convention of Insurance Commissioners is meeting today at Mobile in advance of the meeting of commissioners next week. They are **considering the tentative bill** which will be presented next week. A large number of commissioners and others bound for the convention left New York Friday afternoon on a Savannah line steamer.

Permission to sue Insurance Superintendent Hotchkiss on account of a note held against the People's Mutual of Syracuse, has been denied to **William H. Hall** by Justice Whitney, of New York. Hall was advised to take the matter up in the courts of Albany or Onondaga County. He claims the State Insurance Department seized funds on which his note was a lien.

New companies which pay their **promoters** more than 5 per cent. **commission** need not go after Ohio business. Insurance Superintendent Charles C. Lemert says he will not admit them to that State unless the stock subscription certificates indicate that the subscriber clearly understood that a larger amount was being paid to the promoter.

A department office is to be opened at St. Louis by the **Reliance Life,** to which the agencies in Missouri, southern Illinois, Iowa, Nebraska, Kansas, Colorado, Arkansas, Oklahoma and Texas will report. O. G. Wilson, assistant general manager, will remove to St. Louis to take charge of the department office.

The fall dinner and annual meeting of the **Barebones Alumni Association** will be held at the Underwriters' Club, New York city, on Monday, October 17, 1910. Mr. Elijah R. Kennedy, of the firm of Weed & Kennedy, will be the speaker of the evening, and the election of officers will follow his address.

The report that life insurance companies had canceled policies on the life of **Allan A. Ryan** because of his connection with aviation is discredited on account of the well known impossibility of forfeiting such policies, except for suicide, and to be manager of an aviation meet can scarcely be so regarded.

The directors of the **Continental** this week elected David Rumsey to be second vice president and counsel, which positions he already held in the Fidelity-Phenix. He will withdraw from the law firm of Rumsey, Sheppard & Ingalls, and will devote his entire time to the affairs of the two companies.

It has been decided **to test local ordinances in Oklahoma** requiring insurance agents to pay a license fee. The State insurance law declares that the State tax shall be in lieu of all other taxes or fees. T. H. Brim, agent for the Northwestern Mutual Life at Nowata, was arrested, and will resist.

Those interested are **still waiting** for some definite word from Mr. J. Pierpont Morgan concerning **the new trustees** for the voting trust of the Equitable. Nothing has been done about it, and nothing will be until the return of Mr. Morgan from abroad, says his partner, Mr. George W. Perkins.

At the meeting of the **New York Board of Underwriters** this week the report of the special committee on resolutions concerning the late Marshal S. Driggs was received and adopted. A committee was named to submit the nomination of a successor to Mr. Driggs on the finance committee.

The branch office of the **Reliance Life** at St. Louis has been dissolved, and **Western headquarters established** there instead. O. G. Wilson is in charge, with supervision over Missouri, southern Illinois, Iowa, Nebraska, Kansas, Colorado, Arkansas, Oklahoma and Texas.

Ill health has caused the **retirement of M. J. Burns** as compact manager at Denver after twenty years' service in that

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position. The office is in charge of Assistant Manager D. W. Canfield, pending a definite settlement of the situation.

The **Union Fire of Paris** has been licensed in New York State, and is now writing business through Starkweather & Shepley, of Providence, R. I., as United States managers. Other States will be entered as rapidly as possible.

Companies are watching closely a number of sprinklered terminal elevators of the old type at Minneapolis, recent inspections showing them to be shut down, and the sprinkler service shut off for the balance of this year.

A committee of seven is to be named to formulate a recommendation as to the proposition to change the commission rule in the **Eastern Union.** This committee is directed to report not later than October 20.

The **general agency for the** marine department of the **Royal Exchange** for Arkansas, Texas and Oklahoma has been given to Trezevant & Cochran, who have represented the fire branch of the company for years.

The **German American Life of Omaha** is changing from a stipulated premium, mutual plan to a level premium, legal reserve plan, and has put up a little more than the required deposit with the State Auditor.

The **Boston Mutual Life** has chosen H. O. Edgerton as president, to succeed the late John W. Wheeler. He has been vice president of the company one year and secretary for six years previous to that.

The **fire loss in the State of Minnesota for July,** as given in the bulletin just received from Insurance Commissioner Hartigan, was $650,000, as compared with $825,000 for the same period in 1909.

The officers of the **New York Life** and a number of its leading agency men and field men will meet for **conference at** the Mt. Washington Hotel, **Bretton Woods,** N. H., September 27.

In **Minnesota insurance agents** are forbidden to make any trade agreement as part consideration for insurance, the law requiring that nothing be considered outside the policy contract.

At its annual meeting at Columbus recently the **Ohio Pond of the Blue Goose** elected W. J. Boggs, Continental, loyal gander, and W. T. Porter, Jr., Niagara, wielder of the goose quill.

The **Merritt investigating committee** is still engaged with the affairs of former legislators. The indications are that it will be several weeks before insurance matters are taken up.

The Queen is **enlarging its line limits,** which have heretofore been conservative, as it has been one of the few large companies operating without a general reinsurance treaty.

The **Southwestern Fire** is the name of a new company being organized at Albuquerque, N. M., by the Co-operative Fire Underwriters. A $500,000 capital is proposed.

The **Massachusetts Fire and Marine** is prospering, and preparations are under way for entry in several Western States. Agency appointments are now being made.

The **Winona Fire** has been examined by the Minnesota Insurance Department, revealing a surplus as of June 30 of $96,544, and admitted assets of $602,607.

The **Macon Fire Underwriters' Association** has elected John E. Wilson president, E. D. Harrold vice president, and Frank D. Coburn secretary-treasurer.

A bill is to be introduced in the Georgia Legislature the coming session **to limit promotion expenses** for new insurance companies to 10 per cent.

The **New Jersey Association of Fire Chiefs** adopted a resolution at its annual convention last week strongly urging the necessity of a State fire marshal.

The celebrated **Kimmel case** against the New York Life is to be retried in October, according to an announcement by Federal Judge Dyer at St. Louis.

The **building of the Southern Fire** of New Orleans, now in the hands of a receiver, has been **sold** to the Louisiana National Life for $45,000.

The **General Fire of Paris** has made application **to enter Louisiana,** and will do business through Emery & Norton as general agents.

The **Aztec Fire** insurance company is being organized at El Paso, Tex., by J. J. Mundy, R. F. Burges and J. M. Goggin.

The **Insurance Association of Providence** has elected George L. Shepley, of Starkweather & Shepley, president.

The license of the **Citizens' Fire Association of Seattle,** started last year, has been revoked for lack of assets.

The stockholders of the **Pioneer Fire of Tacoma** have voted to pay in $30,000 to cover loss claims that are overdue.

The **fire loss in Maine** for 1909 was $2,552,945, as compared with over $4,000,000 in 1908.

The **American Union Fire** of Philadelphia expects to commence operations in October.

The **Franklin Fire** of Philadelphia has been **licensed in South Dakota.**

The **Vulcan Fire** of Oakland, Cal., has elected I. H. Clay president.

The **Union Fire of Paris** has been admitted to Rhode Island.

Personal.

AGENCY APPOINTMENTS.

General Fire of Paris: Fieber & Reilly, agents at Indianapolis.

London and Lancashire: H. P. Iremonger, special agent for the New York Metropolitan district.

Northwestern National Life: J. M. Deering, State agent for Iowa.

Pacific Coast Casualty: Joy Lichenstein, manager of the surety department at the home office.

Sun Life of Canada: Dr. E. A. Martin, district manager at Newark, N. J.

Mr. L. Seton Lindsay, son of C. Seton Lindsay, for many years resident manager of the New York Life in the Far East, later general manager for Great Britain and Ireland, and now located at the home office, will, on October 1, become supervisor of the business of the New York Life in the extreme Northwest, with headquarters at Seattle, Wash. His

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territory will include the States of Washington, Idaho and Montana, together with British Columbia and Alaska. The appointee is only thirty-one years of age.

Mr. Jacob M. Neuberger, for many years Western manager of the Atlas, died Sunday at his home in Chicago, aged seventy years. The funeral was held Tuesday, and the Western department offices of the Atlas were closed on that day. He retired from active duty on January 1, 1909, being succeeded by George E. Haas. The company gave Mr. Neuberger a pension and made him a local director.

Mr. Theodore Grefe has resigned as secretary of the State of Des Moines to become secretary and underwriter for the Queen City Fire of Sioux Falls, S. Dak., continuing as a stockholder and director of the State. The change was made largely because of the need of a change of climate on account of his health.

Messrs. Neale Brothers & Schryver, the Cleveland local agency of which President Neale of the National Association of Local Fire Insurance Agents is a member, has been changed to Neale Brothers & Co., G. H. Schryver retiring to devote his attention to the casualty business.

Mr. William L. McNevin has resigned as manager of the claim department of the Atlanta office of the Maryland Casualty and will become general manager of the claim department of the Interstate Casualty of Birmingham, with headquarters at the home office.

Auditor Barton, of Nebraska, has cited the State general agent of the Northern Life of Michigan to answer before him charges that he has been offering stock bonuses at various points, his license being in jeopardy.

Mr. N. S. Harding, for thirty-five years Nebraska State agent for the Springfield Fire and Marine, is seriously ill at his home at Nebraska City. He is eighty-two years old, and is the dean of the Western field men.

Mr. Thomas J. Brooks has resigned as State agent for the People's National in Iowa, Nebraska and Missouri. It is understood he is to be managing underwriter for the new Central Union Fire of Kansas City.

Mr. Harvey W. Laird, of Montgomery, Ala., has been appointed deputy insurance commissioner of Alabama, to succeed Major A. C. Sexton, now an officer of the Citizens National Life of Louisville.

President E. M. Davis of the St. Louis Fire was injured during a collision of his automobile with a Chicago & Alton train last week while near Alton, Ill.

Mr. Roswell E. Baker, Washington special agent for the Berkshire Life, was drowned while fishing at Chesapeake Beach Sunday afternoon.

Casualty and Surety Insurance.

Some of the **unusual accidents** this week were: A Colorado stockman was dragged behind an automobile until the tip of his finger, which was caught in the top, pulled off.

A sailor helping unload a cargo of dynamite broke the fall of one of the boxes of explosives by interposing his foot. He saved the ship, but lost his toes.

As the result of a "joy ride," a Newark, N. J., woman was injured in an auto collision, and left unconscious in the street by her cowardly male companions

Two women were burned to death after an explosion of natural gas in their home at Oswego, N. Y.

At Boston a young man was thrown from a moving platform at an amusement place and killed.

In a baseball game at Waynesburg, Pa., a school teacher collided with another player in seeking to capture a fly ball, and will probably die from concussion of the brain.

A New York restaurant keeper nearly lost the sight of his eye when a cork flew from a bottle into it.

A Manhattan warehouseman died of hemorrhage following a self inflicted accidental injury to his leg with a bale hook.

A French baron died from gunshot wound caused by stumbling into a gun trap set on his hunting preserve.

A naval fireman was stabbed to death in a New York saloon with a lead pencil.

In Colorado a mill hand fell on a circular saw, and was cut in two.

At Binghamton, N. Y., a Newburgh man lay down to sleep with one arm across a rail, and it was cut off by a passing train.

In Paris a hobble skirted young woman was dragged by a runaway horse, being unable to escape from it.

After traveling 3,000 miles in his auto without mishap, a Memphis, Tenn., man in alighting from his car at the end of the tour slipped and broke his ankle.

Near Williamsport, Pa., a bee hunter was caught underneath a falling tree, and was nearly stung to death by the infuriated bees from the nest in the tree.

A Chicago jewelry salesman, wishing to hurry to his office, attempted to board a swiftly moving car and was killed.

The Alabama Fidelity and Casualty Company of Montgomery, Ala., has secured the services of a well known New York accident insurance man as managing underwriter for all departments. **Mr. Howard C. Forbes,** of the Ætna Indemnity Company, has resigned as manager of the accident department of that company, as of October 1, and will go South to assume his new duties in about one week. Mr. Forbes has been with the Ætna Indemnity for a year and a half, and worked up to his present position by diligent service and attention to duty. Prior to his connection with the Ætna he was with the Casualty Company of America. The Alabama Fidelity and Casualty is a new company with authorized capital of $300,000, and will operate in the Southern States. The company is to be congratulated on securing a man of Mr. Forbes' ability to manage its underwriting affairs.

A 1,600 per cent. **increase in fatal automobile accidents** in New York city is reported for August, the first month of the operation of the Callan automobile law. In July, the last month under the old law, one person was killed by an auto, while in August seventeen met death. Arrests for fast driving amounted to practically nothing, and policemen witness speeding without interest, the reason given being that no one understands the provisions of the law as to speed in New York city. Officials of insurance companies are aroused by the figures, which are authentic.

Applications to organize the following **new national banks** have been approved: The First National Bank, of Garfield, Kan., capital $25,000, succeeding the Garfield State Bank; the Old Forge National Bank, Old Forge, N. Y., capital $25,000, and the First National Bank of Pleasanton, Cal., capital $25,000. Certificates have been issued authorizing the Dickson City National Bank, Dickson City, Pa., capital $50,000; the First National Bank of Walterboro, S. C., capital $25,000, and the Winona National Bank, Winona, W. Va., capital $25,000, to begin business.

The city registrar of St. Louis has issued a **list** showing the total amount **of bonds** running to the city executed by the various surety companies. The United States Fidelity and Guaranty heads the list with a total of $3,330,039, followed by the Massachusetts Bonding, with $1,598,303; the American Bonding, with $1,355,671; the American Fidelity, with $1,287,078; the Fidelity and Deposit, with $1,211,707; the Title Guarantee and Surety, with $1,203,996, and the American Surety, with $1,080,901.

Upstate saloonkeepers are likely to experience more **trouble in securing excise bonds** this year than before. Detectives have been investigating conditions in many cities, and reporting to their companies who should not be written for the coming year. In Binghamton, N. Y., a number of saloons have been closed by the authorities and the licenses revoked.

The **strike of glaziers in New York city,** which was first regarded by the plate glass insurance companies as inconsequential, has grown to a point where replacements are practically at a standstill. Unless the strike is settled at once the insurance companies will be obliged to resort to cash settlements or secure consent to delay the replacements.

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As soon as the necessary formalities have been complied with the London and Lancashire will enter the casualty field in this country through the medium of the **London and Lancashire Guarantee and Accident Company of Canada,** a subsidiary institution. Personal accident and plate glass business will be taken up first.

Statistics reported by the Fidelity and Casualty Company are that **embezzlements for July** are abnormally heavy, the total amount involved being $1,890,502. The bulletin severely criticises systems which permit such heavy losses as have been reported from numerous banks.

The **National Surety** has declared its regular quarterly **dividend** of 2 per cent., and an extra dividend of 4 per cent., making a total of 10 per cent. thus far this year. It is said an increase of stock is being contemplated.

At its recent annual meeting the **Surety Underwriters' Association of St. Louis** elected Charles W. Durbrow, United States Fidelity and Guaranty, president, and M. H. Crossman, secretary, and elected three new members.

At the close of the Empire State Surety agents' convention last Saturday a handsome **loving cup** was presented to President William M. Tomlins, Jr., as a token of appreciation by the agents.

The National Surety has secured the services of **Edwin C. Gott,** formerly with the Title Guarantee and Surety of Scranton, as assistant in the contract bond department under Vice President Dammann.

The new **Boston automobile tariff** shows an increase of rate according to the decrease of cost. The argument is that the higher priced cars deteriorate less rapidly than the cheaper ones.

The **Atlas Life and Casualty,** which is being organized at Philadelphia, reports subscriptions in for half its capital stock of $400,000, which is being sold at 200 per cent.

The **Empire State Surety** has changed its agency for casualty lines in the State of Kentucky from Harris & Marshall to T. Grant Slaughter, of Louisville.

Milwaukee has pending a **sane Fourth ordinance.**

Plate glass rates at Cleveland, Ohio, are open.

Obituary.

James C. Bergstresser.

Insurance has lost a forceful promoter by the death of James Calvin Bergstresser, proprietor and editor of the *Insurance World,* of Pittsburgh, at Fountain Springs, Schuylkill County, Pa., on last Sunday. Mr. Bergstresser had been suffering from a disease of the kidneys for several years, but the immediate cause of his death was a cancerous growth in the throat for which he underwent two operations at a hospital in Berlin, Germany, last June.

He was the scion of an old Pennsylvania colonial family, and was born at Elysburg in that State, July 15, 1851. He graduated from Lafayette College in 1871, and was admitted to the bar of Northumberland County later. But his tastes were for journalism, and after a brief experience in railroad construction work as a civil engineer he established the *Insurance World* at Philadelphia. This was in 1874. Subsequently the publication office was removed to Pittsburgh. During all the years that have followed Mr. Bergstresser has given his close attention to his paper, relinquishing active work only when his health required a visit abroad. It is recorded in a local notice of his life that the paper missed but a single issue, which was when he was suddenly called into active service as an officer of the Pennsylvania National Guard. He was a prominent member of the Masonic Order and a member of the Society of Sons of the American Revolution.

Mr. Bergstresser had a thorough journalist's knowledge of all branches of insurance, and his work on his paper was thoughtful, helpful and timely. He was a facile writer and expert news gatherer, qualities which insured the production of a useful and readable newspaper. Personally his geniality and sincerity won him friends everywhere and he departs truly mourned. Of his immediate family he leaves only a brother and a nephew, Mr. J. L. Bergstresser, who has been manager of the paper since the death of Mr. Warren.

Theodore M. Banta.

Theodore M. Banta, whose connection with the New York Life insurance company extended over a half century, and who was cashier of the company forty-six years, died on Saturday of last week at his home at Glenbrook, Conn. He was a native of the city of New York, where he was born in 1834, was educated in the public schools, and was graduated from the College of the City of New York in 1854. He entered the actuarial department of the New York Life four years later and in 1864 became cashier, a position which he held until his retirement from service on account of failing health a few months ago. Mr. Banta was identified with the growth of the great company from its infancy and was prominent in its councils during the administrations of Presidents Beers and McCall.

Mayor Low appointed Mr. Banta a Municipal Civil Service Commissioner in 1902. Coming from an old Dutch family, he was particularly interested in all that pertained to colonial history, and was an active member of most of the local genealogical and historical societies. For some time he was president of the Holland Society. He was the author of genealogies of the Banta and Sayre families. In 1862 Mr. Banta married Miss Cornelia Crane, who, with two daughters, survives him.

Official Reports.

Wisconsin Insurance Report.

The annual report of Insurance Commissioner George E. Beedle, of Wisconsin, of life and casualty business during 1909 shows the receipts of the department to have been $678,941.44, of which the Northwestern Mutual Life contributed in taxes and fees the respectable sum of $413,200.45. The expenses of the department were $24,915.45.

In commenting on the fact that the Legislature had failed to clothe the department with authority to regulate insurance promotions within the State Mr. Beedle says:

A brief review of events that have transpired since that time will convince any fairminded person that the power asked for by the department should be vested in it for the protection of the public against misrepresentations and frauds that travel under the mask of insurance. The squandering of 25 per cent. or more of the funds paid in during the process of organization must necessarily preclude the payment of dividends to stockholders for many years to come.

New companies should be encouraged when organized and promoted along legitimate lines, but the plan of paying 25 per cent. commissions, together with other expenses, during the process of

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organization, cannot lead to anything but disappointment, and this is all the more regrettable when the stock is sold to a large number of small purchasers having little to invest. The plea of the promoters that the stock is to be scattered in small amounts for the double purpose of preventing "one man control" and to secure boosters for the company in all towns and sections of the State, may seem plausible enough to the uninitiated, but history records the fact that as soon as a concern is beginning to prove its usefulness and ability to pay dividends the stock will find its way into the hands of a favored few.

As to the fraternal situation he says:

The fraternal situation remains practically unchanged. A number of societies are increasing their membership rapidly, while others are losing members and facing ultimate dissolution, due to increased assessments that must come with advancing age, where no adequate reserve is provided during the early years of the policy.

Most of the societies are accummulating some funds in excess of current cost which they designate "reserve fund," "guarantee fund," etc., but it should be strictly understood that such funds as they now exist offer no security or guarantee that the claims will be paid at death. Some societies realize this fact and are making strong efforts to adopt adequate rates.

The amount of insurance in force in the sixty-two societies licensed to do business in the State at the beginning of the year was $5,878,923,209.26. At the end of the year the amount in force was $6,201,495,548, an increase during the year of 5.48 per cent. The number of members at the beginning of the year was 4,228,552. At the end of the year the number was 4,510,069, an increase of 6.65 per cent. A tendency that is noticeable in these figures is the decrease of the average policy in force. The average policy in all the societies decreased from $1,390 to $1,375, a decrease of $15 during the year. This decrease is even more marked among some of the larger orders. In the Modern Woodmen of America the average policy decreased from $1,609 to $1,592 or $17. In the Royal Arcanum, the average policy decreased from $2,068.50 to $2,030.70, or $37.80.

The societies reporting to the department collected during the year $69,666,482.22 from members,$2,964,773.66 from interest and rents, $270,288.54 from sale of lodge supplies, and $690,146.29 from all other sources. Of this amount, $176,639.75 was returned to applicants, thus leaving a total net income of $73,415,059.96. They paid for losses and benefits during the year $50,581,876.25, for expenses of management $9,715,367.71, and $441,143.47 for other purposes, making total disbursements of $60,738,387.43. This leaves an addition to assets for future use of $12,676,663.53. This excess of over twelve and one-half million dollars, represents an overcharge which should be kept as a reserve for future losses and contingencies. On the success with which they are able to account for this fund will in a large measure depend their future.

Miscellany.

A $25,000 Application in Five Minutes.

(The following story is a recitation of an actual experience of a New York city life insurance solicitor, and is written especially for THE WEEKLY UNDERWRITER for the benefit of life insurance solicitors.)

A couple of New York city life insurance solicitors were engaged in discussing the phases of their business, and the talk turned to experiences.

"I sold a $25,000 policy in five minutes yesterday," announced one, "although I had talked to the man for four months about it."

"It's lucky you added that last sentence," replied the other. "I was on the point of questioning your veracity. Let's hear about it."

"Well," said the first agent, as they lighted up again, "in the first place I don't bother with soliciting for small policies, although the fellow who can only afford a $1,000 policy is likely the man whose family needs it most, and I never hesitate to take a good deal of trouble, if necessary, to write such a policy when it comes my way without solicitation; but I mean that it is just as easy to locate the men who will take $5,000 to $50,000 or more as it is to find the little fellows. This man is engaged in a prosperous business which is making him good money, and in which he employs all his capital to mighty good advantage. I have had numerous talks with him about insurance, but yesterday I just dropped in to chat a minute, and on leaving I handed him a pamphlet on business insurance.

"'That will interest you some time,' said I.

"'What's it about—insurance?'

"I hadn't been talking insurance at all on this call, but he was looking the pamphlet through carefully, and was evidently interested.

"'Of course it's about insurance,' was my reply.

"'H—m, this isn't such a bad idea. How much of this do I need?' he asked, suddenly.

"It's a good thing to understand your man when you are going after a big application, and I knew this man to be one who knows his own affairs, and who has no use for a life insurance man who attempts to dictate to him about kinds and amounts of insurance.

"'I'm sure I don't know,' said I. 'You are the best judge as to that.'

"'Yes. Now let's see—when the market is low I buy heavily and don't use my own money to buy with, either. I go to the bank and borrow it. I've got notes at the bank now for about $25,000. If anything should happen to me it might involve the business, and that would make trouble for my wife. I'll take $25,000 of this. When can you have the doctor here?'

"Well, of course it took me about fifteen seconds to telephone for the doctor, and in an hour the business was all over, I had his name on the dotted line, his check was in my pocket for the premium and I was bowing myself out of the office."

"Well, that was a sure enough piece of luck for you that time," ejaculated the listener.

"Luck, nothing!" ejaculated the successful solicitor. "I got that business by going after it and keeping after it. They don't come every day, but they will come if you go after them. I don't mind saying that I am now planning to write a man for $2,500,000 of the same kind of insurance, and I believe I'll succeed."

American Life Convention.

The report of this convention in last week's paper concluded with the paper read by Mr. George H. Carr on "The Attitude of the Courts," in which he took the ground that the courts had no attitude toward insurance companies, and especially none of hostility. The discussion following this paper was interesting. Mr. C. A. Atkinson, vice president and general counsel for the Federal Life of Chicago, took the opposite side of the question and recited many cases of what he regarded as injustice on the part of courts toward insurance companies. Dan W. Sims, of the Lafayette Life, seconded the views of Mr. Carr, and in an address of oratorical power declared the impartiality of the tribunals of justice. He conceded, however, that something of a public prejudice exists against insurance companies, although in the main the companies receive full justice at the hands of judges and juries.

Earlier in the day the medical section conducted an important symposium, to which but brief reference was possible last week. The first paper was read by Dr. Amand Ravold, of the Missouri State Life, on "The Short Life History." He recited many facts concerning "the black plague" and tuberculosis, victims of the former being especially susceptible to the latter. He quoted figures to show that "the black plague" is many times more prevalent than is generally known, especially from heredity. Persons so affected, he advised, should be written only for insurance terminating at age fifty. An important discovery recently made in Berlin is depended upon to ultimately eradicate the disease, and when this is done the average duration of life will be greatly lengthened. The papers by Dr. Albert Anderson, of the Jefferson Standard Life, on "Insurance Militia or Forces Against Mortality," and Dr. W. F. Milroy, assistant medical director of the Bankers Reserve Life of Omaha, on "Increased Mortality from Diseases of the Kidneys and Circulatory System," were also given close attention by the large number of medical directors present. Mr. Franklin B. Meade, actuary and secretary of the Michigan State Life, gave those present some valuable ideas on how to secure medical examiners, especially in small places, and urged closer co-operation between the medical and actuarial departments.

President Wilmer L. Moore, of the Southern States Life of Atlanta, who has taken such an active part in the crusade against the hookworm, offered a resolution favoring the national health bureau, as proposed by the Owens bill in the United States Sen-

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ate, and the convention went on record as favoring the proposition.

Late Friday afternoon Mr. L. A. Dean, general counsel for the State Mutual Life of Rome, Ga., read a paper urging uniformity in State regulation of insurance companies, and the efforts of the convention the coming year will be toward securing a level rate of taxation to replace the many inconsistencies now being practiced.

The social session Friday evening was a banquet at the Country Club, at which 250 guests sat down. The dinner was given by the Central Life Assurance Society of the United States, the Des Moines Life, the Equitable Life of Iowa and the Royal Union Mutual Life, all Des Moines companies. Following the menu dancing was enjoyed.

NEW OFFICERS ELECTED.

The Saturday morning executive session was devoted to the election of officers, which resulted as follows: President, Thomas W. Vardell, vice president Southwestern Life; secretary, T. W. Blackburn, Omaha, Neb.; executive committee, two year term—Isaac Miller Hamilton, Federal Life; T. L. Miller, West Coast Life; M. A. Woollen, American Central; one year term—P. D. Gold, Jr., Jefferson Standard; W. A. Lindly, Security Mutual, Lincoln, Neb.; J. B. Reynolds, Kansas City Life.

The following vice presidents were chosen: Alabama, W. L. Moore, Southern States Life; California, H. W. Allstrom, Occidental Life; Colorado, A. M. Gildersleeve, Colorado National; Florida, M. D. Johnson, Florida Life; Georgia, C. R. Porter, State Mutual of Georgia; Illinois, G. W. Van Fleet, Peoria Life; Indiana, Charles D. Renick, Indiana National; Iowa, Frank D. Jackson, Royal Union Mutual; Kentucky, John G. Cecil, Inter-Southern Life; Louisiana, Gustav Lemle, Louisiana National; Michigan, T. F. Giddings, Michigan Mutual; Minnesota, E. W. Randall, Minnesota Mutual; Mississippi, W. Q. Cole, Lamar Life; Missouri, E. P. Melson, Missouri State; Nebraska, B. H. Robison, the Bankers' Reserve; New Jersey, Lee B. Durstine, North American; New Mexico, J. H. O'Reilly, Occidental; North Carolina, G. A. Grimsley, Security Life and Annuity; Ohio, L. Q. Rawson, Cleveland Life; Oregon, Manly M. Johnson, Columbia Life and Trust; Pennsylvania, W. C. Baldwin, Pittsburgh Life and Trust; Tennessee, Theo. F. King, Volunteer State; Texas, Charles Bodeker, Guarantee Life; Utah, W. H. Cunningham, Continental Life and Investment; Virginia, W. A. Taylor, American National; Washington, H. C. Sampson, Western Union; West Virginia, John C. Riheldaffer.

The legal section held its annual meeting Friday noon. Guilford A. Deitch, general counsel of the Reserve Loan Life, was elected chairman, and Hope Thompson, president of the Northern Life of Illinois, was elected secretary. Thomas B. Love, former Insurance Commissioner of Texas, and now vice president of the Southwestern Life of Dallas, was selected to prepare the legal paper for the next convention on a subject to be selected later by the executive committee.

The medical section elected officers as follows: President. Dr. Amand Ravold, medical director Missouri State Life; vice chairman, Dr. Ambrose Talbot, medical director Kansas City Life; secretary, Dr. F. L. B. Jenney, medical director Federal Life. The board of managers includes the above and Dr. H. M. Woollen, American Central Life; Dr. Whitfield Harral, Southwestern Life, and Dr. James H. Stowell, United States Annuity and Life. This board will have in charge the affairs of the bureau of exchange the coming year.

The report of Secretary Blackburn showed the convention to be in its best financial condition. He advocated more attention to legislative matters during the coming year, when much legislation inimical to insurance companies is expected to develop.

Pittsburgh was selected as the convention city for the 1911 session, though invitations were received from Washington, St. Paul, Nashville, Raleigh and other cities.

The resolutions adopted strongly indorsed the attempts to secure uniform taxation, and suggested that insurance departments attempt less arbitrary regulation and maintain a more consistent supervision. Conservation of the national health by means of education of the public was advocated in the resolution, which expressed the opinion that the co-operation of the sixty-four companies in the convention could easily bring this about.

It was voted to send representatives to meet the Senate Committee on a National Insurance Code, which is soon to be in session at Washington.

The executive session indorsed the work of the new bureau of exchange, and its work the coming year will be of much importance.

Mr. Thomas W. Vardell, the new executive, was for many years representative of the Equitable in Texas and Oklahoma, but when the Robertson law caused the withdrawal of his company with others he helped found the Southwestern Life, which has had a fine record of growth and strength. He is an enthusiast in insurance work, as well as in hunting and automobiling.

Adjournment was taken Saturday about noon.

Insurance Beautified.

(The Policyholder, Manchester, England.)

A member of the staff of a certain fire insurance company having betrayed a tendency to versify, it was suggested to him that he might infuse a little poetry into his drafting of fire policies. Taking the critic at his word, the following—for use in the ordinary "£100 household goods fire policy"—results:

Behold, mankind! and so beholding learn, with joy begirt,
How, with great circumspection (*in this space the name insert*),
Has from his store of worldly wealth two shillings set aside,
And to the ——— Insurance Office handed them with pride.
Henceforth that Office shall be called the Friend—as shall be shown,
And he who paid those shillings as the Pilgrim shall be known.
Beware, all men! and be not led to prematurely "pooh!"
First see how much from little comes, learn that, for shillings two,
The Friend, with all humility, with heart where love abounds,
(Behold the magnanimity!) insures a hundred pounds!
This splendid sum shall be applied should loss by fire o'ertake
The Pilgrim, and so turn his woe to joy and ale and cake,
For when, through fire, the Pilgrim suffers loss to his estate,
The Friend, with anxious haste, will come and freely compensate,
Provided that which is destroyed, or damaged, shall consist
Of Household Goods (for sordid details scan the printed list).
If e'er the gods his domicile with lightning devastate,
The Pilgrim thanks the Friend for charging an inclusive rate.
'Tis to be noted, none the less, be ne'er the claim so bold,
Do not expect, O Pilgrim! you shall have "new lamps for old";
There shall be paid what worldly ones call "market value," bare,
So, in your calculations, pray allow for wear and tear.
Some few conditions—mundane things—are elsewhere found expressed,
And they, though beauty lacking, have importance, 'tis confess'd.
To study them, O Pilgrim, you are now most strongly urged,
And you shall find instruction into entertainment merged.
And though the Friend may charge for stoves which min'ral oil employ,
O Pilgrim! pay (and smile) the extra comfort to enjoy!
And if you will but travel straight—as all good pilgrims should—
The Friend *might*—please take notice, 'tis not promised that he *would*—
He *might*, in twelve months' time, renew this gift for one year more,
Then shall you smile, and pay again of pence a score and four.
The Pilgrim 'gainst life's "ups and downs" a noble fight must make,
E'en though he may succumb, though final "up" or "down" he take,
The 'sundered soul will sing with joy this wondrous Line of Lines——
"The Friend will pay his heirs, administrators or assigns."
Mankind! has not this Policy a right assuring ring?
Have not your hearts a craving for this comfortable thing?
'Tis writ so simply, purposely, that he who reads may run
And purchase such a document ere this day lose its sun.

—G. A. H.

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INTERNATIONAL ASSOCIATION OF ACCIDENT UNDERWRITERS.

Twenty-third Annual Convention at Bretton Woods, N. H., This Week.

(Special Report.)

BRETTON WOODS, N. H., Sept. 23.—The twenty-third annual meeting of the International Association of Accident Underwriters convened at the Mount Washington Hotel Tuesday morning. Thirty-five companies were represented, which is a smaller number than last year, but up to the average. The small attendance is not due to any lack of interest in the work of the association, as the meeting throughout was very interesting and profitable.

President William C. Faxon called the meeting to order. The report of the committee on credentials was presented by the chairman, J. M. Fisher, showing the following companies to be represented:

Ætna Indemnity Company.
Ætna Life Insurance Company.
American Assurance Company.
American Casualty Company.
Casualty Company of America.
Commercial Travelers Life and Accident Association.
Commercial Travelers Mutual Accident Association.
Commonwealth Casualty Company.
Continental Casualty Company.
Empire State Surety Company.
Equitable Accident Company.
Fidelity and Casualty Company.
Frankfort Marine Accident and Plate Glass Insurance Company.
General Accident, Fire and Life Assurance Corporation.
German Commercial Accident Company.
Great Eastern Casualty Company.
Illinois Commercial Men's Association.
Imperial Guarantee and Accident Insurance Company.
The Law, Union and Rock Insurance Company, Ltd.
The Loyal Protective Insurance Company.
Maryland Casualty Company.
Massachusetts Accident Company.
National Casualty Company.
New Amsterdam Casualty Company.
New England Casualty Company.
North American Accident Insurance Company.
Order of United Commercial Travelers of America.
Pacific Mutual Life Insurance Company.
Pennsylvania Casualty Company.
Philadelphia Casualty Company.
The Travelers Insurance Company.
United States Casualty Company.
United States Fidelity and Guaranty Company.
United States Health and Accident Insurance Company.
United Surety Company.
Western Travelers Accident Association.

Letters of regret were read from the following insurance commissioners: Mr. Barry of Michigan, Mr. Hartigan of Minnesota, Mr. Hotchkiss of New York, Mr. Clayton of Colorado, Mr. McCullough of Pennsylvania and Mr. McMaster of South Carolina. Owing to the meeting of the National Convention of Insurance Commissioners at Mobile next week no commissioners were present at Bretton Woods.

President Walter C. Faxon then read his annual address.

ADDRESS OF THE PRESIDENT.

President Faxon said, in part:

Many important matters are to come before you for consideration, involving as never before the future welfare of the business in which we are engaged and which concerns not only the success of the several companies and associations transacting it, from a financial standpoint, but the welfare and prosperity of the thousands upon thousands of people who are insured under accident and health policies, and those dependent upon them.

The efforts that have been made at our conventions for many years to establish uniformity in policy phraseology and to prevent the widespread introduction of special features involving material increases in claim payments and altogether unnecessary complications in the conduct of the business, make history with which you are all familiar.

The executive committee will doubtless report to you the special efforts that have been made during the past few weeks toward securing uniform action by the accident and health companies in the modification of their policy forms for 1911, eliminating therefrom some of the special features which have encumbered them and have been demonstrated to be of doubtful value. The occasion for taking this action at this time is the necessity imposed upon all companies doing business in New York and Massachusetts to revise their policies so as to conform to the recently enacted laws in those States.

It can truthfully be stated that never before in the history of this organization has so determined an effort been made, or one which promised such satisfactory results, as this recent attempt to reform policy contracts. That certain obstacles have interposed delay—for a brief time only, let us hope—the adoption of the reforms places a responsibility upon the companies to make renewed efforts toward bringing about the greatly to be desired results.

Heretofore, the difficulty in securing the elimination of any feature regarded as undesirable by many companies has been that some one or two companies have regarded the feature with favor and have prevented unanimous action. Under the plan proposed nearly every company was called upon to forego the further use of some features which it favored. Never before has there been greater willingness manifested by the companies to sacrifice their individual preferences.

The time has been too short since this matter was taken up to accomplish such extensive changes as were proposed, but it is entirely possible that the desired modifications will be accomplished in the very near future, by the expenditure of further effort on the part of the members of this organization.

The National Convention of Insurance Commissioners assembled at Colorado Springs, in August last year, adopted, for recommendation to the legislatures of their respective States, a bill for

STANDARD PROVISIONS

in accident and health insurance policies, which bill, substantially as adopted by the commissioners, has already been enacted into law by New York and Massachusetts, and failed of enactment in Ohio only by a mishap of some sort. Minnesota had already a law upon its statute books similar in many respects to this one. During the coming winter we may expect similar legislation will be enacted by many more of the States, and, as occurred in New York State, modifications may be proposed in the language agreed upon which, if embodied in the law, will defeat the very object sought for by both the companies and the commissioners working together for a long time, namely, uniformity in the statutory requirements concerning policy forms.

It is this outlook which so strongly emphasizes the foresight and wisdom of my immediate predecessor in office—the present chairman of your executive committee, Mr. H. G. B. Alexander, in bringing to your attention, at Niagara Falls, last year, the great desirability and necessity of our having efficient instrumentalities for promoting wise legislation and retarding harmful legislation, without imposing the burden upon the current incumbent of the office of chairman of the executive committee. The committee having this matter in charge has worked hard to accomplish its aims during the year, and the results, which will be laid before you in the executive committee report, will merit and I trust will receive your most serious consideration. If these results have not been so successful as we might wish, let your good judgment develop the plan still further to a successful issue.

During the year there has been organized, under the auspices of your executive committee, the International Claim Association, which association will no doubt become an important factor in the future of our business. We shall be interested in the report of the progress of this organization, which will be placed before us. * *

Supervision of insurance, like the poor, is always with us. Whether supervision shall continue to be exercised by the States

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alone, or be supplemented by national supervision, is a question that is periodically before us. A paper by James C. Jones, of St. Louis, whom many of you know to be one of the foremost insurance lawyers of the country, will, I trust, define our relations toward national supervision in a manner that shall set our minds at ease, in view of the probability that we shall never be free from State supervision.

We are glad, as always, to welcome to our convention the representatives of the insurance press and of those publications which maintain insurance columns. The wide dissemination of reports of the action taken at our conventions has contributed in no small degree to the beneficial effects of such action. The individuals who have favored us with their presence year after year have come to be regarded as personal friends, and we only ask that they continue to deal kindly with us in the future as they have in the past and we will let them come again. * *

Let me express my sincere thanks to all the members who have so kindly and cheerfully contributed to the welfare of this association during the year that has passed, and to bespeak for the association a continuance of that helpful co-operation that has been so manifest and of so great value in the accomplishment of the results attained. It is this spirit of helpfulness, the fruit of years of effort, that means so much to the organization and gives courage to your leaders to press forward to the accomplishment of the tasks with which you have entrusted them.

At the close of the reading generous applause was given.

Mr. F. Robertson Jones, secretary of the association, then read his report.

REPORT OF THE SECRETARY.

The membership of this association now embraces sixty-four companies and one individual member, as against fifty-nine companies and three individual members at the time of the 1909 convention, a net gain in company membership of five.

Largely as a result of the efforts of the membership committee, appointed October 18, 1909, upon the recommendation of the twenty-second convention, the following eight companies have been added to the membership of the association:

American Life and Accident insurance company, Portland, Ore.
Fidelity and Deposit Company, Baltimore, Md.
The Law, Union and Rock insurance company, Ltd. (Canadian branch), Toronto, Canada.
London and Lancashire Guarantee and Accident Company (Canadian branch), Toronto, Canada.
New England Casualty Company, Boston, Mass.
Pacific Surety Company, San Francisco, Cal.
Southern insurance company, Nashville, Tenn.
United States Fidelity and Guaranty Company, Baltimore, Md.

The resignations from membership in the association of the following three companies were accepted by the committee:

American Insurance Union, Columbus, Ohio.
Federal Casualty Company, Detroit, Mich.
Ocean Accident and Guarantee Corporation, Ltd. (Canadian branch), Montreal, Canada.

The resignations of two individual members of the association were likewise accepted, viz., that of Mr. Herbert Walker, formerly provincial manager of the Dominion of Canada Guarantee and Accident insurance company, Montreal, by reason of his having withdrawn from the accident and health field, and that of Mr. Milton E. Ripley, secretary of the Southern insurance company, Nashville, Tenn., because of the admission of his company to membership in this association. The activities of the association, through its executive committee, have been manifold and diversified during the past year, entailing upon officers and committees a large expenditure of time and effort.

The balance of the secretary's report spoke of matters covered in the report of the executive committee.

The report was accepted and ordered placed on file.

The treasurer, George E. Taylor, reported that the amount of moneys received during the fiscal year was $8,254.72 and that the expenditures were $3,343.02, leaving on hand a balance of $4,911.70. This report was received as read and ordered placed on file.

The report of the librarian was then read.

REPORT OF THE LIBRARIAN.

Mr. Meininger reported in part as follows:

Pursuant to the recommendations made in my last report, and which were adopted by the association at the Niagara Falls convention, your librarian proceeded with the work of sending out requests to all of our members to forward to him copies of their several policy forms. The response, save in a few instances, was prompt, and the desired forms of accident, health and disability policies were placed in my possession. The list includes 678 accident, 104 health and 180 disability, or 962 different policy forms. The Travelers insurance company has issued the greatest number of different forms, that company having filed 292 separate and distinct policies, and which have been issued since their founding. It may be assumed that some of the companies found their files were low and did not send a complete assortment of all of their forms. A fair estimate, taking this into consideration, is that there have been issued by the different companies comprising this association upward of 1,000 different varieties of accident, health and disability policies. Is it any wonder that the competition for accident business is so keen?

I desire to make the suggestion that the several companies comprising our association give permanent instructions to their underwriting departments to kindly send to the librarian of this association a copy of any new policy form which may be issued from time to time. This will keep our files up to date and consequently make them of greater historical value. If any of our members or delegates have documents or papers of a nature relating to the association or its history they should be placed in our library for preservation.

The report was ordered placed on file.

Chairman Fibel, of the entertainment committee, announced that the banquet would be held Thursday evening.

Numerous subjects for debate were proposed in writing and the reading of the topics suggested followed. Mr. W. A. Orr, of the Woodmen's Casualty, submitted: "Whether we should make a reduction in the amount of benefits or increase the premiums after the policyholder has reached an age of, say, fifty-five years." Two questions were submitted by Mr. R. N. Hull, Supreme Treasurer of the Order of United Commercial Travelers of America, as follows:

1. (a) To what extent shall the subject of overinsurance be considered, and if of consequence, what remedy can be applied if any is deemed necessary? (b) What is the per cent. of moral hazard involved as gained from the experience of those interested in the question?

2. How much of a menace of risk in the accident field is involved in the increased use of automobiles, motorcycles and aeroplanes, and should any restrictions be put upon their unlimited indulgence?

Prof. Irving Fisher, of Yale University, was then introduced, and read his paper on "Insurance Companies and the Public Health."

INSURANCE COMPANIES AND THE PUBLIC HEALTH.

Professor Fisher said in part:

In the history of all forms of insurance we find that at first the conception of insurance is restricted to the one function of trading in risks, i. e., selling for a price (called the premium) the chance of receiving an indemnity (called the insurance). Later a second function is almost invariably added, that of *reducing the risks.* Such is the natural and inevitable order of development. At first we must take the risks just as we find them. But sooner or later we discover that risks are more or less preventable and that those insurance companies prosper most which practice *prevention* as well as *indemnification.* The addition of the preventing function at first aroused antagonism, as all new ideas do. But it is bound to win. First one far-sighted company sees profits in prevention, and then competition compels others to follow its example or withdraw entirely from the race.

Marine insurance has stimulated to safe ship construction as much as any one factor in the history of shipbuilding.

In the history of fire insurance the mutual companies first made the effort to reduce fire risks, and it is estimated that the risk from fire in certain particular classes has been reduced, through the fire insurance companies, some 70 per cent. In seventy years the rate on cotton and woolen mills has been reduced to 1-100 of the former amount. This enormous decrease has been accomplished by slight expenditures. In some factories the cost of improvements has been more than paid for in the saving of premiums for fire insurance in one year.

I understand that in steam boiler insurance the companies assuming these risks put back nearly half of their premiums into the work of inspection of boilers, with a view of preventing explosions. In employers' liability insurance the idea of prevention has made great headway, and doubtless plays an important part in most other forms of insurance, such as live stock insurance, cyclone insurance, burglary insurance, plate glass insurance, fidelity insurance, etc.

The movement toward prevention is now taking possession of those forms of insurance most vitally connected with human life—accident insurance, health insurance and life insurance.

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On February 5, 1909, I had the honor of addressing the Association of Life Insurance Presidents in New York city on the "Economic Aspect of Lengthening Human Life." As a member of President Roosevelt's Conservation Commission I had just completed a report on "Our National Vitality, Its Wastes and Conservation," and as president of the committee of one hundred on national health I was then, as I am now, actively engaged in an effort to secure a national department or bureau of health. In my address I suggested that the life insurance companies could, profitably to themselves, and especially to the country, co-operate in the health movement now spreading over the whole world. The association appointed a committee on human life extension, of which Mr. Ide, president of the Home Life, is chairman. This committee has held several meetings in New York and Washington.

It is a profound satisfaction to have had even a minor part in inaugurating the movement to introduce prevention into life insurance, for I am fully persuaded that, sooner or later, life, accident and health insurance companies will assume their rightful place among the most powerful engines for human safety, health and longevity the world has ever seen.

I cannot, however, lay claim to being the first to suggest the participation of life insurance companies in the health movement. Mr. Hiram J. Messenger, actuary of the Travelers insurance company; Dr. Burnside Foster, Prof. J. Pease Norton, and I believe many others, had reached the same idea independently. The industrial department of the Metropolitan Life insurance company, under the guidance of Mr. Lee K. Frankel, had already laid plans to reduce its mortality.

At present the movement has only just begun, although it has, I believe, gone far enough to demonstrate its wisdom. The Metropolitan has established a consumptive sanatorium for its employees in the face of much opposition and in spite of an adverse decision at first by the Insurance Department of New York State as to their right to do so; it has engaged visiting nurses in certain cities to care for its bedridden policyholders; it has established a health magazine to distribute health literature among its policyholders—which is made available to 15,000,000 readers, or one-sixth of the population in the United States, and it has indorsed the movement for a national department of health.

The Provident Savings Life Assurance Society has established a health bureau which issues bulletins of health information among its policyholders, and grants to those who choose free medical examinations. At first these free examinations were to occur every two years, but the results were immediately found to be so satisfactory that the interval for periodical examinations has been reduced to one year.

The New York Life insurance company has taken a hand in the effort to improve and purify the milk supply of New York city.

Mr. Robert L. Cox, counsel for the Association of Life Insurance Presidents, states that "practically all of the companies represented in the Association of Life Insurance Presidents are giving their moral support to the movement for the prolongation of human life."

The fraternal societies have entered the campaign. Their journal, the *Western Review*, now has a department especially devoted to the public health. Fraternal insurance companies have also in several instances established sanatoria, and have attempted in other ways to lengthen lives and decrease death claims.

The accident companies have, I understand, for some time aided in getting State laws passed to prevent accidents to life and limb, and health insurance, one of the youngest forms of insurance, has made a beggining in the field of prevention.

My object in this paper is twofold, (1) to show that the unexploited possibilities of improved safety and health constitute a veritable bonanza for insurance companies, and (2) to show some ways in which the insurance companies may begin in the work of exploiting this bonanza.

First, then, What room for improvement is there in the matter of American accidents and ill health? For answer I beg to refer you to my report on national vitality to President Roosevelt in which it is shown that human life in America could, by the adoption of hygienic reforms already known and entirely practicable, be lengthened over one-third—that is, for over fifteen years. This calculation has been made very conservatively and is probably several years inside the truth. It is estimated that at least eight years could be added to human life merely by securing reasonably pure air, water and milk.

We now know that the death rate is not the fixed and fatalistic thing it was once supposed to be, but that on the contrary it varies according to many known conditions.

It is significant that backward India—in spite of the enormous room for improvement—shows during twenty years no rate of improvement whatever. Life there remains only half the European span. This is because hygiene is so little practiced.

A fall of the death rate always promptly follows sanitation. Colonel Gorgas cut the death rate in Havana in two, bringing it down to between 20 and 24 per 1,000. The New York death rate responded at once to Colonel Waring's clean streets. And recently it is announced that the death rate of New York is 16.5, the lowest on record—a result, in all human probability, due to the hygienic work of the health officer, the milk reformers and the public agitation for health.

Contrast the death rates from yellow fever at Panama during the efforts of the French to dig the canal and during the American work under the sanitary regulations of Coloned Gorgas!

As to the preventability of accidents in the United States, it is only necessary to contrast their frequency here and in Europe. The Commissioner of Labor of Minnesota has stated that in his opinion at least half of all industrial accidents are preventable. Other authorities have expressed similar opinions. There is now every reason to hope that, with the recent establishment of a bureau of mines, the accidents in mining will within a few years show a substantial decrease.

Dr. Farr has estimated the net economic value of an English agricultural laborer at various times of life by discounting his chance of future earnings after subtracting the cost of maintenance. It is estimated that the average value of the lives now sacrificed by preventable deaths is at least $1,700. Since the number of preventable deaths is estimated at 630,000, the annual waste from preventable deaths is 630,000 times $1,700, or about $1,000,000,000. This represents the annual preventable loss of potential earnings.

We saw that there are always 3,000,000 persons in the United States on the sick list, of whom about 1,000,000 are in the working period of life and about three-quarters are actually workers, and must lose at least $700, which makes the aggregate loss from illness more than $500,000,000. Adding to this another $500,000,000 as the expense of medicines, medical attendance, special foods, etc., we find the total cost of illness to be about $1,000,000,000 per year, of which it is assumed that at least one-half is preventable. Adding the preventable loss from death, $1,000,000,000, to the preventable loss from illness, $500,000,000, we find one and a half billions as the very lowest at which we can estimate the preventable loss from disease and death in this country.

The conclusion seems safe that here is a rich unexploited field for saving money. And the beauty of it is that these gains bring with them gains far more precious to the nation than dollars—immeasurable gains of longevity, vitality, efficiency and happiness. Life, health and accident insurance is not philanthropy, but it is a beneficent business. Though at first glance it might seem that to prevent the pollution of streams, to improve the milk supply, to obtain pure foods, and freedom from accident is no part of the business of insurance, yet it is easy enough to see the very vital connection. By far the larger part of the cost of the insurance business is not management nor agents' fees, but the cost of mortality and invalidity. It is the right, if in fact, it is not the duty, of any business to reduce its cost. To pare down salaries might not save the policyholder one per cent. of his premium, but to reduce mortality cost might save him many per cent.

I will make three specific suggestions to this association as an association. The first is that it appoint a committee consisting of those fittest to construct a workable and detailed scheme for the use of the companies constituting the association. The second is that the association shall by resolution put itself on record as favoring the establishment of a national department of health, and third that it authorize the appointment of one or more representatives to attend the future Congressional hearings on public health bills.

I trust that this association will join with other insurance organizations in the effort to secure a department of health worthy of the nation.

On motion of Mr. De Leon a vote of thanks was given Professor Fisher, and his recommendations were referred to the executive committee and ordered printed for distribution.

The meeting then adjourned until 10 o'clock Wednesday morning.

WEDNESDAY'S PROCEEDINGS.

The second session of the meeting was opened promptly at 10 o'clock by President Faxon, there being a full attendance of members. The report of the executive committee was called for,

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and at the request of Chairman H. G. B. Alexander it was read by the secretary of the association, as follows:

REPORT OF THE EXECUTIVE COMMITTEE.

Since the last convention of the association, the executive committee has held five meetings—three in New York city, one at Albany, and the final one at this hotel yesterday afternoon. At all of these meetings, matters of considerable importance affecting the interests of the members of this association were deliberated upon and action taken in a number of cases. At all of the meetings there has been a good attendance of the members of the committee, while a number of representatives of companies, members of this association, have been present at each meeting by general invitation of the committee.

One of the most important objects effected by the executive committee during the past year was the organization of

THE INTERNATIONAL CLAIM ASSOCIATION,

November 23, 1909, Hotel Manhattan, New York city. The matter came up for special consideration at the first meeting of the executive committee, October 18, 1909, under the instructions and authorization of the twenty-second annual convention.

This meeting was held November 23, 1909, Hotel Manhattan, New York. There were present thirty-five representatives from twenty-four companies, members of the association. An organization of the Claim Managers of the International Association of Accident Underwriters was effected under the title of "The International Claim Association," a constitution and bylaws drafted and adopted, and permanent officers and an executive committee elected, thus realizing one of the fondest hopes of the originators of the idea, and of the International Association. It is certainly very gratifying to know that this organization so auspiciously launched is now an effective organization, representing thirty-three companies, members of the International association, striving to accomplish by effectual means the fundamental objects of its organization. The association recently held its first annual convention at Atlantic City, September 7-8-9-10, at which interesting and instructive papers were read and discussed, the entire time of the convention being given up to the order of business.

Another vital subject dealt with during the past year by the executive committee was the organization of the proposed

BUREAU OF PUBLICITY, LEGISLATION AND DEPARTMENTAL RELATIONS,

acting under the authority conferred by the last convention.

At the meeting of the executive committee held October 18, 1909, a committee was appointed to work out a plan for the establishment of such a bureau and to co-operate with similar committees from kindred organizations for the accomplishment of its object. This committee was composed of Messrs. William Bro Smith, chairman, W. G. Curtis, A. E. Forest, W. M. Tomlins, Jr., and Edson S. Lott.

At the meeting of the executive committee held February 4, 1910, Hotel Manhattan, New York city, this committee rendered a lengthy report in which it outlined its plans with reference to membership dues, executive organization, and methods of work. Its consensus of opinion was that the proposed bureau would be more effective if its scope were enlarged so as to include in its membership all casualty companies that desired to share in its benefits, instead of being confined to the members of the International Association of Accident Underwriters. The committee was thereupon continued with instructions to continue its work of securing subscriptions, for a period of at least three years, for the support of the Bureau of Publicity, and that as soon as the subscriptions amounted to $20,000 a year, the bureau should be put into active operation.

At the meeting of the executive committee, June 13, 1910, Hotel Manhattan, New York, the Committee on Bureau of Publicity was able to report that twenty-seven companies had subscribed to the bureau for three years, representing subscriptions of $14,000. The minimum amount of $20,000 not having been at that time secured, the authority of the committee was continued until this convention, and a full report of its activities will undoubtedly be rendered by the committee during these present sessions of the convention.

Probably one of the most important meetings of the executive committee was held August 17, 1910, Hotel Ten Eyck, Albany. This meeting was called by the chairman of the committee largely in response to the urgent demands of some managers who considered the time ripe for a general modification of accident and health policies, in view of the changes necessitated by the laws during the year 1910 by the legislatures of New York and Massachusetts for

STANDARD PROVISIONS AND PROHIBITIONS

in accident and health insurance policies. There was additional demand for the meeting, likewise, from those managers who thought the time opportune for settling amicably the points at issue under these two new laws between the insurance departments of the two States and their rulings on the one hand, and the accident insurance companies on the other hand, as to the form of policies under the new laws. By special invitation, this meeting of the executive committee was thrown open to managers or representatives of all accident and health companies or associations doing business in this country. The regular meeting was preceded by an informal meeting in the forenoon for the purpose of expediting the business in the afternoon. At the preliminary meeting a committee of seven was appointed to consider the subject of the elimination of "frills" from accident and health policies. Also, another committee of six was appointed to consider the subject of the requirements of the New York and Massachusetts departments based upon the standard provisions acts recently enacted in those two States.

There were present at the regularly called meeting forty-nine representatives from thirty-two companies and associations. H. G. B. Alexander, chairman of the executive committee, was chairman of this meeting, and F. Robertson Jones was secretary. The Insurance Superintendent of New York, Mr. William H. Hotchkiss, was present at part of the meeting and made an address. Likewise Mr. Richardson, of the Massachusetts Insurance Department. The two committees, after rendering a partial report, were continued until this convention, and will both render a report covering their activities.

A third committee was appointed at this meeting for the consideration of the subject of "Commissions," it being held by some of those present that the subject of commissions was inextricably bound up with that of the elimination of "frills" from accident and health policies. The full stenographic minutes of this meeting were printed and have been distributed to all the accident and health companies doing business in this counry.

At the October meeting of the executive committee the question of the drafting of a constitution for the association and the

RECONSTRUCTION OF THE BYLAWS

was taken up for consideration, resulting in the appointment of a committee of three to consider the subject and report. This committee was composed of Messrs. Edwin W. De Leon, chairman; John T. Stone and Edson S. Lott.

This committee has submitted to the members of the association for their consideration a final draft of a constitution and suggested amendments to the bylaws. The committee sent printed copies of these documents to all companies members of the association, with the request that they be examined carefully preparatory to voting upon them at this present annual convention.

At the October meeting of the executive committee the subject of "Advertising," as treated in the paper read at the last annual convention by Mr. C. A. Williams, of Chicago, and also in a letter to the chairman of the executive committee, was discussed, and the committee on bureau of publicity was instructed to investigate broadly the subject of advertising. At the meeting in February this committee rendered a report of progress, and at its request Mr. Franklin Webster, editor and publisher of the *Insurance Press*, spoke upon that phase of advertising with which he was pre-eminently qualified to deal.

LEGISLATIVE MATTERS.

Following a report of the legislation enacted during the year affecting accident insurance, special mention was made of these bills as follows:

THE WIMBERLY BILL.

The Wimberly bill, introduced in the Louisiana Senate, was very detrimental to the interests of accident and health insurance companies. Every effort was made to prevent the passage of this bill in each house of the Legislature, but without avail. When the bill came up to the Governor for his approval the strongest possible representations were made to secure its veto. In spite of every effort, however, the bill became a law on July 7, 1910, and went into effect on that date.

STANDARD PROVISIONS BILL.

The National Convention of Insurance Commissioners at Colorado Springs, August 25, 1909, after numerous conferences with representatives of accident and health insurance companies, adopted the text of a proposed uniform bill providing for standard provisions and prohibitions in accident and health insurance policies. This bill was introduced in the legislatures in Massachusetts, Maryland, New York, Ohio and Virginia without important changes, except in the single instance of New York. The bill became law in New York and Massachusetts, but failed of enactment in Maryland, Ohio and Virginia, though it was supposed for a time, even by the Insurance Commissioner, that the

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Ohio bill had been enacted. The New York bill as first introduced omitted the "appeal to the courts" provision contained in the uniform bill proposed by the National Convention of Insurance Commissioners; and it was not until after a most strenuous campaign of enlightenment, led by Mr. Edson S. Lott, that the New York Legislature was finally induced to put back the "appeal to the courts" provision, even against the expressed wishes of the Insurance Superintendent and the supposed wishes of the Governor. This association was represented effectively with reference to these bills before the committees of the two houses of the Massachusetts and New York legislatures.

MISSISSIPPI BILL.

A bill was introduced in the House of the Mississippi Legislature by Mr. Gong, authorizing the recovery of attorneys' fees and damages against all persons and concerns doing an insurance business in the State for failure to pay policies when due by them. This bill embraced life, health, accident, fire, tornado and casualty insurance companies. Representations were made against this bill, and whether as a result of such representations or some other cause the bill failed of enactment. There is a tendency to introduce bills of this class in different States from time to time, and the members of the association should make effective representations against them wherever and whenever possible. A bill somewhat similar to this one was introduced in the House of the South Carolina Legislature by Mr. Foster, and likewise failed of enactment. Representations were also made in opposition to this bill.

OKLAHOMA BILL.

There was introduced in the House of the Oklahoma Legislature by Mr. Anthony a bill (No. 84) that increased materially the tax upon insurance companies doing business in Oklahoma. Later, however, this was amended so as to exclude specifically foreign insurance corporations, and was enacted as amended.

MISSOURI "SUICIDE LAW."

During the early part of the summer it was ascertained that Hon. Frank Blake, Insurance Commissioner of Missouri, had expressed himself in the advance sheets of his annual insurance report as being in favor of the modification of the Missouri "suicide law," at least to the extent of exempting companies from liability within the first six months after the policy had been issued. In order to take every possible advantage of the apparent betterment of the situation in Missouri with regard to the "suicide law," the executive committee appointed a sub-committee of three to look after the interests of the association. It is the fervent wish of the members of the executive committee that through the efforts of this sub-committee an improvement in conditions affecting accident and health insurance in Missouri may be secured.

GEORGE E. M'NEILL MEDAL COMMITTEE.

At the meeting of the executive committee held in October last the following gentlemen were appointed a sub-committee to the George E. McNeill medal committee, with the understanding that the sub-committee should change every year:

Hedley R. Woodward, chairman, superintendent accident department Fidelity and Casualty Company; Charles C. Daniel, secretary, Order of United Commercial Travelers of America; Danford M. Baker, second vice president the Pacific Mutual Life insurance company.

One thousand copies of the proceedings of the twenty-second convention of the association were printed promptly after the adjournment of the convention, and five copies sent to each member of the association. In addition other copies were furnished the members of the association at cost price, according to the demand.

RED CROSS CHRISTMAS STAMPS.

A resolution of the last convention of the association earnestly recommended "that not only the companies and associations, members of this association, but that all branches of insurance will, so far as lies in their power, promote the humane labors of the American National Red Cross by a liberal use of Red Cross Christmas stamps." The executive committee took steps at its October meeting to put this resolution into effect. Through the co-operation of the secretary of the association a copy of the resolution was sent to every member of this association, accompanied by a circular letter earnestly recommending a liberal use of the Red Cross Christmas stamps.

It being necessary for the chairman of the executive committee to be absent from this country during a part of the year, Mr. Louis H. Fibel was elected to act as temporary chairman during such absence.

IN MEMORIAM.

It is with the deepest sorrow that we make this official record of the deaths of three esteemed associates: Capt. Arthur W. Masters, United States manager London Guarantee and Accident Company, Chicago, Ill.; D. E. Stevens, president Commonwealth Casualty Company, Philadelphia, Pa., and Edwin A. Towne, secretary Commercial Travelers' Eastern Accident Association, Boston, Mass.

The report was received and accepted by the convention for discussion later.

The report of the International Claim Association was postponed and the Hon. Arthur I. Vorys was introduced.

MR. VORYS ON REGULATION BY THE STATE.

Ex-Insurance Superintendent Arthur I. Vorys, of Ohio, read a paper entitled "Some Symptoms and Aspects of the Tendency to Socialism." Mr. Vorys claimed that the spirit of all modern business is toward concentration and centralization of capital, labor, power and influence, and as this spirit of combination pervades all our affairs, its force is overwhelming and its continuance inevitable. Opposed to it is the jealous fear of the mass of the people who make the bulk of society against real or apprehended abuses. They demand a government bureaucracy or some other means of protection or resistance of that character. The following are extracts from the paper:

Bureaucratic control over private ownership is undesirable if unnecessary. Certainly it has its annoyances, and no business or class has been more subject to it than insurance and those engaged in that business. It may be said that it is but one remove from State or Government ownership and operation. It may be said that regulation is the shibboleth of the demagogue in kindling the hysteria of the proletariat into class hatred and ultimate confiscation. The wholesomeness of a public policy is to be determined by its relative and comparative merits, and not necessarily rejected because of some one or more resulting inconvenience; certainly not because of any personal dislike or distrust of some of the individuals advocating it. Bureaucratic regulation is the least inconvenient, least disturbing, most effectual and therefore the most sensible means of protecting the people—the individual, the weaker members of society—against frauds, abuses and oppression and unreasonable bargains at the hands of great aggregations bent on dominating any industry, trade, calling or business. Through systems of regulation wrongs may be prevented and redresses worked out in a way that may prevent more drastic, violent and revolutionary reparation by an indignant people, aroused and inflamed over unchecked abuses and oppression by unrestrained arbitrary power.

Why, then, should not those engaged in insurance realize that a policy of regulation should pervade all of our affairs? In its last analysis the institution of insurance is itself an evidence of the socialistic disposition of humanity, for its purpose is to restore the deprivations of misfortune from the supposedly full purses of those who have not suffered a like misfortune. Those who are managing insurance are doing the highly important and very responsible, but still only the incidental, work of collecting from the many to pay the losses of the few.

There is some analogy between the premium payer—the fund producer—and the factory worker and the farmer, and between the loss claimant and the consumer of the products of the factory and farm. Why should not those engaged in managing insurance be the first to recognize, announce and advocate the regulation of their institution so essential now in the promotion of all industrial and commercial affairs? Why should they not realize the importance, not only to the public but to themselves, of maintaining, in reputation and in fact, the highest possible standards of efficiency, the elimination of abuses and expulsion of all who are not in the struggle for the highest efficiency? This association and every one of like nature is evidence of that realization. Its purpose is not only for the mutual benefit of its members, but for the benefit of all their patrons. No one is admitted to membership, certainly no one should be admitted, if suspected of dealing unfairly with the people or otherwise unworthy.

Imbued with the same lofty motives that inspired the organization and maintenance of this association, let those engaged in insurance go forth not only aiding and encouraging, but with leadership in urging a system of regulation of their business at once so protective of society and all its members, so protective of the good reputation of the institution of insurance, that all the world will applaud. Let that leadership be so earnest and so conscientious that no one can doubt its genuineness. Instead of instant, instinctive opposition to every new law and new depart-

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mental requirement, let those engaged in the business take the initiative. As our economical condition and relations change,

LET INSURANCE KEEP PACE

with the changes, and those managing it proposing and urging new measures of law and department rules to provide for changed conditions as they constantly occur. Then when the managers of insurance appear to oppose any proposed reforms their opposition would be regarded, as never before, surely meritorious and not because the institution of insurance instinctively opposes all new regulating laws and rules, regardless of merit. Under such encouragement and leadership, with the intelligent thought of those versed in the business sincerely bent on aiding and not thwarting new wholesome regulations, the imagination can scarcely picture the improvement, not only in effective regulation, but in the respect for the department and confidence in the companies.

How capable, too, are those engaged in insurance, with their general business ability, their exceptional sagacity and proverbial broad-mindedness, in aiding in the promulgation of a general policy of regulation pervading all great business enterprises that should be regulated; how strong their influence and persuasive their advocacy, when as members of a common society they urge regulation on others, if they can point with pride to the system of regulation over their own business which they have led in establishing.

Private ownership and operation under State or Government control will be the policy of the future—at least the immediate future. This country, if not now, will be in the lead in perfecting the system. As little as needed and not as much as possible will be the limitation on bureaucratic regulation, but the functions and fields of regulation will broaden. Its petty annoyances and inconveniences and extravagances in conducting it will be minimized. Under this policy time and experience will solve the many problems now so perplexing, and smooth out the troubles so vexing. In the end this American republic will always flourish forth a model for all nations, where patriotism is the most intensely universal emotion, and class hatred, like sectional hostility, will have vanished into history.

In reaching that culmination I venture to predict the institution of insurance, and those engaged in it, will be found not in the rear ranks of the drafted, but in the front ranks of the leaders.

The report of the special committee on policy forms was then called for from Chairman Fibel.

Mr. Fibel said that his committee had had a number of sessions with Superintendent Hotchkiss, of New York, and Commissioner Hardison, of Massachusetts, at some of which the commissioners from Minnesota and Ohio had been present. The committee had asked permission to submit a form of policy to be criticised and modified by the commissioners. At first Mr. Hotchkiss was inclined to accept that plan. Later, however, he thought it would be better to draw up a form in the rough to be submitted to each member, with the following general conditions:

1. In regard to the word "issue" it shall be interpreted that the policy is issued when it is delivered and the premium collected.

2. In regard to the insurance for a beneficiary, the company must have the application signed by the beneficiary.

3. A policy may be written with or without an application, but if there is an application it must be signed and become a part of the policy.

4. Quarantine insurance will not be permitted in an accident or health policy.

Later, in a letter to Chairman Fibel, Mr. Hotchkiss asked that the whole matter be held in abeyance until he could have opportunity to confer with Commissioner Hardison, so that, although the matter was presented to the convention, no action could be taken until there has been further communication with Mr. Hotchkiss.

The report of the special committee on policy forms was then presented. The report follows:

REPORT ON "FRILLS."

To the Executive Committee of the International Association of Accident Underwriters: Your committee on policy forms, appointed August 17 last, at Albany, would respectfully report that a letter was sent by the secretary of the committee to the executive officials of all companies writing accident and health policies in the United States and Canada, embodying the recommendations of the committee as they were reported at the Albany meeting, of which a copy is hereto attached.

Favorable replies were received from thirty-nine companies and seven associations. Replies embodying reservations of one sort or another were received from twenty companies, while fifty-three companies and ten associations made no reply.

A second meeting of your committee was held at Hartford, on September 1, at which the various replies were duly considered and a new plan adopted, which is set forth in a letter dated September 2, sent to all companies, of which a copy is hereto attached. To this second letter favorable replies were received from forty-nine companies. Replies to the first letter from companies that omitted to answer the second, twenty-eight in number, were of such a character as to indicate a favorable attitude to the plan as outlined in the second letter, so that a total of seventy-seven companies may be considered as favorably disposed towards this proposition.

The replies to the letter of September 2 were duly considered by your committee under date of September 13, at which meeting the attitude of several companies was considered to the effect that (as a condition of their accepting the proposed changes) either all companies should make the conditions which it is purposed to apply to new business following January 1, 1911, also apply to renewals after January 1, 1911, or be permitted to equip their agents with policies similar to those now being used for the purpose of enabling their agents to take care of such business as they might have in other companies but which they would, if afforded these facilities, be able to transfer to those companies newly entering the accident field.

By reason of the size of these companies and their agency organizations it was deemed inadvisable to proceed further with the subject until your committee could report progress to the executive committee and be further instructed as to the course to be pursued.

A third letter, dated September 14, copy of which is hereto attached, was accordingly sent out, notifying all companies of the situation and your committee passed the following note, which is submitted for your action:

Voted—That this committee report to the executive committee of the International Association of Accident Underwriters the results of this committee's work, the progress which it has made, and ask that the matter be again referred to this committee with power to secure the active co-operation of these companies which have not at the present time signified their approval of the eliminations proposed by this committee in the letter of September 2.

The report also contained a list of the companies and their replies to the letters mentioned. Agreeable to the request contained in it the committee was continued by vote of the convention.

The following is the report referred to as being included in the first letter mentioned:

Your committee on policy forms recommend that from and after January 1, 1911, no policy of accident insurance be issued which shall contain any of the following features:

1. Benefit clause providing for more than double benefits in any event, or for double benefits for any accident other than accidents of travel—a suitable clause to be framed by the committee on phraseology or by a special committee appointed.
2. Accumulations.
3. Beneficiary insurance.
4. Insurance of children of insured.
5. Optional indemnities.
6. Sunstroke.

The same as to policies of health insurance:

1. Quarantine.
2. Payment of indemnity for less than seven days of disability.

Your committee further recommends that no features eliminated are to be reinstated prior to January 1, 1912, nor shall any company substitute for any of the features eliminated any new feature without requiring a substantial additional premium to the prevailing rates for policies of accident and health insurance now being issued.

The meeting also voted in favor of eliminating from accident policies by suitable language all liability from death by gas asphyxiation.

The second letter referred to has the following:

Recommendations concerning commercial accident policies:

1. That the double indemnity clause be limited to the coverage described in the following paragraph:

"The amount to be paid for claims under parts A to B (or Sections 1 and 2, as the form of policy may require) shall be double the sum therein specified if such injuries are sustained while riding as a passenger and being

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in or upon any railway passenger car propelled by mechanical power; or while traveling as a passenger on board a steam vessel licensed for the regular transportation of passengers; or caused by the burning of a building while the insured is therein; but any accident or injury, fatal or otherwise, sustained while getting on or off or being upon the step or steps of any railway or street railway car shall be covered only for a single indemnity."

2. That no policy provide for more than double benefits unless an adequate additional premium is charged for such additional coverage.

3. That accumulations be limited to an increase of 5 per cent. per annum for a period of ten years, beginning in the second year, and that same apply to losses of death, dismemberment and loss of sight only.

4. That no provisions be made for the payment of elective or optional indemnities.

5. That no provision be made for payment in event of death or disability by sunstroke.

6. That no policy contain special reference to or specific indemnity for paralysis or insanity.

7. That no policy provide for legacy payments in addition to the payment of the principal sum insured.

8. That no policy provide for the payment of any amount to cover transportation of the body of the insured after death.

9. That no policy provide for the return of premiums that have been paid for the insurance in addition to the payment of any claim.

Recommendation concerning health policies:

1. That no policy provide for the payment of indemnity because of the insured being quarantined.

2. That no policy provide for additional indemnity during confinement in hospital in excess of 50 per cent. of the weekly indemnity payable under the policy or for more than ten weeks, and such payment shall be in lieu of and not in addition to payments for surgical operations.

3. That no policy promise payment for disability of less than seven days' duration, except when an additional premium shall be charged for the insurance.

4. That confinement to the house be required for the payment of full indemnity, except under policies for which additional premium is obtained.

Further recommendations applicable to both accident and health policies:

1. That prior to January 1, 1912, no features eliminated are to be reinstated on any policy, nor shall any company substitute for any of the features eliminated any new features, without requiring a specific adequate additional premium to the prevailing rates for policies of accident and health insurance now being issued.

The discussion which followed this report developed the fact that the United Surety, of Baltimore, the United States Fidelity and Guaranty, of Baltimore, and the New Jersey Fidelity and Plate Glass, of Newark, all of which have recently entered the casualty business, desired to be permitted to write renewals after January 1, 1911, on the forms now in use. Any doubt as to the position of the Ocean was dispelled by William B. Mann, who said his company would make sacrifices in order to join in the agreement. After extended remarks adjournment was taken until Thursday morning.

THURSDAY'S PROCEEDINGS.

The day was largely devoted to discussions, which brought out plainly that the advent of new casualty companies and the coming in of old companies with new casualty departments will bring about the recognition of the ownership of renewals by agents. It was also plain to see that any attempt by the older companies to furnish renewals of present business on the old policy forms will be resisted with vigor.

The session started an hour later than was planned, and the first business was the paper on "Federal Supervision: Is It Possible Without an Amendment to the Constitution?"

MR. JAMES C. JONES ON FEDERAL SUPERVISION.

Mr. Jones introduced his subject by saying that it is little consolation to discuss the legality of State supervision, as we have it, legal or otherwise, already with us, while the only avenue of escape—national supervision—seems barred by numerous legal objections, which have had years of profound consideration, but are apparently as far from removal as when national supervision was first broached. A careful study of the Constitution leaves the matter of national supervision to follow the establishment of the status of insurance under the commerce clause. The Paul vs. Virginia decision in 1868 declares that insurance is not commerce, and this has been the basis of all decisions since. From an exhaustive review of all cases bearing on the subject since, and by comparison with cases involving the telegraph and lottery tickets, Mr. Jones arrived at the following conclusions:

I have thus, I believe, fully and fairly considered every argument that has been advanced in favor of national supervision without a constitutional amendment. Every positive declaration of the Supreme Court emphatically condemns the suggestion. Each argument in its favor is, in the last analysis, but a straw, and rests upon a mere intimation (read or fancied) or on inference drawn from argumentative statements found in opinions in cases that relate to an entirely different, though an allied, subject, and all of them combined amount to mere patchwork, which is insufficient in substance and force to justify any belief that the Supreme Court either has overruled Paul vs. Virginia and the kindred cases, or ever will do so.

I do not say that Paul vs. Virginia should not be overruled, nor do I say it should. I simply say it has not been overruled, and that there is no substantial suggestion or intimation in any of the opinions of the Supreme Court that it will be overruled. The case has been often affirmed by the Supreme Court, frequently followed, and never criticised. The only logical inference is that it is the law and always will be followed. Those who advocate Congressional action providing for national supervision urge that as the decision in Paul vs. Virginia is inherently wrong, and was not "carefully reasoned out," it should be overruled, and insist that we can safely depend upon the Supreme Court to do what it should do. But, though inherently wrong, it does not necessarily follow that the Supreme Court should overrule it. Though wrong, the rule of Paul vs. Virginia has been followed by every State in the Union. Much of the insurance legislation since the Civil War is based upon the doctrine of Paul vs. Virginia, the substance of which is that as insurance between citizens of different States is not interstate commerce the States are entirely free to deal as they please with insurance companies. But for the doctrine of Paul vs. Virginia we would have, practically speaking, no such thing as the valued policy law, the non-forfeiture laws and the pernicious suicide statutes of Missouri and Colorado, the major part of the occupation of State insurance commissioners would never have arisen and many of these officials would never have been born. These things, and others, may be good or bad, but they have arisen and exist, and they were not only encouraged by the rule of Paul vs. Virginia, but without the rule there enunciated they could not have been. It is extremely improbable that the Supreme Court, even if it should be convinced that Paul vs. Virginia was erroneously decided, will at this late date overrule it, when to do so would be to upset the several State policies that are the legitimate outgrowth of that and kindred decisions. Such a procedure would produce a condition of chaos in every State in the Union in respect to nearly every question that has to do with the subject in all its multifarious forms.

These are the obstacles in the way of a favorable decision by the Supreme Court upholding Federal supervision. However, before the question can be presented to or considered by the Supreme Court, Congress must enact a law providing for Federal supervision and declaring that insurance is commerce. It must do this in the very teeth of the opinion of the Supreme Court of the United States in the hope that the Supreme Court will part its teeth and swallow the Congressional fiat and accept a Congressional opinion on a judicial question in preference to its own opinion. Those who believe that Congress can be induced to do this have more confidence in the force of their position and in the fearlessness of Congress than I have.

State supervision provides a plenitude of place and profit for the politician, increased political power to present incumbents and increased taxation to individual States. These will be potent powers to prevent Congressional action. Furthermore, there is the entirely legitimate argument that State policies and State bureaus, established under powers heretofore conceded to be in the States, ought not to be disturbed by a mere Congressional opinion at variance with the opinion of the Supreme Court, or even by a change in the opinion of that court. And, candidly, a rule of law so long established and so often affirmed, which has been the foundation of so much independent action by the States, ought not to be altered merely because the Congress, or the judges of today, differ in opinion with the judges of the past forty years. In the language of the Supreme Court in the income cases (157 U. S., 429): "The doctrine of *stare decisis* is a salutary one and is to be adhered to on proper occasions."

What occasion is more proper than one where by reason of an unbroken line of decisions covering a period of over forty years all of the States, some fifty subordinate governments, have built up a system of laws regulating all the various forms of insurance to the uttermost detail pursuant to a rule first announced by national authority. Can it be that a mere change of opinion at this late date is a sufficient warrant for upsetting this entire course of legislative action and judicial decision in all of the States? Ordinary fair dealing, regardless of the doctrine of *stare decisis*, would seem to require a negative response.

You may ask, then, wherein is the remedy from the evils of the multiplicity of supervision which is the result of State supervision. That there are many evils of State supervision I concede. That national supervision would be attended with

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many evils, however, I very much fear, and, what is worse, from the evils of national supervision you would be practically remediless. Iniquitous legislation or official oppression by the States is remediable by withdrawal from the State—a remedy that has been resorted to by many companies more than once; but iniquitous national legislation or oppression by a national official must be submitted to, and extinction is the only alternative, practically speaking.

An amendment of the Constitution, in my judgment, is the only means of securing national supervision. If Federal supervision is desirable, and if, by Federal supervision, you mean supervision from Washington to the exclusion of supervision from any other source (and this is what you should have, if you are to have Federal supervision at all), the Constitution should be amended, so as to give Congress the power to regulate all insurance, interstate or intrastate.

Is it reasonable to hope that such an amendment can be secured? Perhaps so, and perhaps not. But, in any event, it is at least as reasonable as the hope of Federal supervision without a constitutional amendment, for this is, I fear, a delusion and a snare that will entail great effort, vast expense and yield nothing.

However, the advisability of Federal supervision, with or without a constitutional amendment (which is not discussed in this paper), may not prove to be a blessing unalloyed, and my final word to you is: Beware, lest you fly to ills you know not of!

The paper was well received. President Faxon then announced the receipt of a telegram from Senator Morgan G. Bulkeley, president of the Ætna Life and United States Senator from Connecticut, who was to have made an address, regretting his inability to be present, and asking the convention to send a delegate to Washington to assist in drafting a model insurance code for the District of Columbia. The convention voted to send President H. G. B. Alexander, of the Continental Casualty of Chicago. It may be that the code adopted for the District of Columbia will serve as a model for the various States.

The discussion of the report of the executive committee as to policy "frills" was then resumed and occupied most of the remainder of the session. Mr. Fibel read a letter just received from Superintendent Hotchkiss stating that he was not able to send the ruling on the suggestions of the committee, but that he was conferring with Commissioner Hardison, of Massachusetts, and would send the draft agreed upon direct to the companies early next week. The time for filing the new forms was extended by him to October 15, to which Minnesota also agrees.

There appeared to be some difference of opinion as to the disposition of "frills." Mr. Bro Smith moved that the convention leave the matter in the hands of the committee, which was seconded by Mr. Alexander, who said that inasmuch as comparatively few of the companies were represented the committee would be better able to handle it. This view was opposed by Mr. Lott, Mr. De Leon and Mr. Mann, who wanted the convention to take definite action on the matter at once. Secretary Charles I. Brooks, speaking for the Ætna Indemnity, favored the idea that renewals belong to the agent, and in a comprehensive statement said that the matter of retaining business depended on the service rendered and the company's treatment of the agent. On the matter of renewals he argued that the desired decrease of the loss ratio could not be brought about if the renewals of present business were to be written on the old forms. All his company asked was an even chance to get and hold business. He thought that the companies must pull together on both old and new business or not at all. On motion of Mr. De Leon the discussion was put over until Friday.

THE BUREAU OF INFORMATION.

The report of the Bureau of Information contained many interesting features. During the year 149,667 accidents were reported to the bureau, which is an increase of 25,091 over the year previous. Cases of sickness reported were 77,240, a gain of 22,455. Liability cases reported were 2,757, a gain of 145. Thus there were 253,880 reports received during the year, a gain of 44,103. There are on file in the bureau 1,746,075 casualty card records and these are increasing at the rate of about 250,000 per year. Besides these there are about 70,000 card records of inspection of much value to the casualty department. There are now fifty-five insurance companies, one municipal corporation, forty-eight railroad companies and 353 street railway companies exchanging experiences through the Information Bureau.

The report of the committee on commissions showed that the attitude of the few companies answering the letter was decidedly in favor of independent action as to commissions.

The report of the committee on standard manuals showed that 22,150 copies of the manual have been supplied during the year and one set of plates, on which business the net profit was $349.95. The committee asked for instructions, in case changes in the manual are adopted, whether the companies recently supplied with manuals should be given copies of the changes without extra charge.

The committee on tabulation of statistics had no report to offer, and the report of the International Claim Association was called for. Its president, Julian S. Eaton, gave a brief résumé of the organization of the association and of the recent successful convention at Atlantic City.

Deputy Insurance Commissioner I. E. Lang, of Maine, was introduced and spoke briefly.

Thursday afternoon a trip up Mount Washington was enjoyed, and in the golf tournament W. H. Betts, of the Continental Casualty, won with a net score of 79. The banquet Thursday evening was a fine success in every way.

FRIDAY'S PROCEEDINGS.

The closing session of the convention came to order Friday morning at 10 o'clock. It was voted that the papers of Dr. Harbrough on "Diseases Resulting From Accidents," and Mr. Chester N. Farr, of Philadelphia, on "The Attitude of the Courts Toward Insurance Companies," shall be printed for distribution on account of lack of time to read them. Extracts of these papers follow:

DR. C. H. HARBROUGH ON DISEASES RESULTING FROM ACCIDENTS.

This paper will discuss some diseases that the writer does not believe can possibly result from accidental injury, and will, therefore, endeavor to demonstrate that the resulting disability should not be covered by an accident policy.

I am aware that some courts have held that such diseases as appendicitis, apoplexy, pleurisy, pneumonia and consumption have been due and have resulted solely from accidental causes. I do not believe than any judge, however learned he may be, should be asked to pass on such a question. When a technical medical point must be decided by a court of law, the presiding judge should have the assistance of one or more competent medical men who are not interested in the case and who could give an unbiased opinion. If such advice were given in cases complicated with medical testimony, the courts would not rule in so many different ways when these cases reached a conclusion after a fair trial.

Some diseases cause accidents, or produce conditions which result in accidents, while a few diseases may result from accident, epilepsy as an example. In some cases the disease closely follows the accident, while in others the disease may not show itself for weeks or months. Apoplexy is said to occur within a few minutes after an accident, and it is even claimed that the hemorrhage may not take place for some minutes, or even hours, or several days later. Hydrophobia may develop after the bite of a rabid animal in from six weeks to six months, while a severe blow to the head may so injure the brain that an abcess may follow, but not show any signs or symptoms until from one week to many weeks afterward. Epilepitiform convulsions, as the result of a head injury, sometimes do not begin until years after an accident. Any disease may take an unusual course, but in order fully to consider them they should be taken up separately.

Dr. Harbrough went on to show that abcess, apoplexy, lockjaw and epilepsy should likewise be exempted from the causes of liability under an accident policy. As to appendicitis he said:

APPENDICITIS

is an inflammation of a small blind piece of bowel, which comes off the large intestine near its junction with the small one. It becomes inflamed because a germ known as the colon bacillus,

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which habitually inhabits the intestines without producing any untoward effects, suddenly becomes virulent and an acute inflammation results. Various causes are said to result in appendicitis, the most common being a foreign body getting into the appendix and setting up an inflammation. Injuries of the abdomen over the site of the appendix are alleged to cause this disease, and in one case known to the writer an insurance company paid a claim for indemnity under an accident policy. Disability as the result of appendicitis is no more covered under the regular accident policies than is disability due to typhoid fever covered by any policy other than the general disability or health policy. Both diseases are caused by germs, appendicitis by a germ which is present and which is set into virulent activity by some unknown cause, and typhoid fever which is due to a germ taken into the system through the alimentary canal and which lodges in certain glands on the inside of the intestines, and then produces the characteristic signs and symptoms of the disease. No company should pay indemnity for appendicitis under an accident policy. If such a precedent is established, almost any disease produced by a germ can be claimed to have resulted from an injury, and as probably every known disease is produced by a germ the effect of such a payment may be far reaching and cause an assumption of liability that was never intended.

Tuberculosis, pneumonia and pleurisy are often held by courts to be due to accident, but the doctor showed that they were directly caused by well known germs which take advantage of injuries to develop and cause the illness mentioned. In conclusion he said:

MISCELLANEOUS DISEASES.

There are some other diseases and diseased conditions that are claimed to be the result of an accident. A certain form of cancer known as a sarcoma is thought to follow an injury. If the belief is correct that a sarcoma is due to an abnormal cell, which is in the body, and which does not grow until it is set into activity by a blow or other stimulation, then this form of cancer should not be said to be caused by an injury, because the cell is present before birth.

A hydrocele, which is a collection of fluid in the scrotum, is claimed to result from injury. This watery tumor forms without injury, and if tapped and the fluid removed the sack fills again, thus showing that an injury is not necessary to produce the condition.

Cystitis is an inflammation of the urinary bladder, and is said to be due in some cases to an injury, although it is more probable that a blow over the region of the bladder merely impairs the resisting powers of the bladder walls and the germs which are constantly in the urine set up the inflammation, and thus in a roundabout way disability is produced and alleged to be due to injury.

Boils and carbuncles are due to germs which get into the skin and tissue immediately beneath, yet it is not uncommon for a claim to be presented under an accident policy. Needless to say such cases are not intended to be covered by this form of policy.

Hydrophobia is a disease produced by inoculation at the time a bite is received from a rabid animal. Indemnity for this disease should hardly be payable under an accident policy, yet disability from lockjaw and from infection following a cut or other open wound is considered to be covered, and if one condition receives indemnity the others should receive the same treatment.

It is the belief of the writer that every disease is caused by a germ and that an accident does not produce a disease, but an injury impairs the tissues of the body, or produces a condition which favors the growth of germs. The germs multiply and a disease results, or the germs of a particular disease are engrafted into the body at the time the accident takes place, and through an open wound of some kind, and the resulting disability due entirely to a recognized disease and not covered by an accident policy is claimed to be accidental in origin.

MR. CHESTER N. FARR ON THE ATTITUDE OF COURTS.

Mr. Farr said in part:

This title is not in the form of a question. If it were, the limits of this paper would be curtailed almost to a single sentence, and the answer would be that the attitude of the courts toward insurance companies is, speaking broadly, a hostile one. When to this we have added the unquestionably hostile attitude of the jury, it will be seen that in litigation the defendant is carrying a heavy handicap. The purpose of this paper is to discuss the causes of this condition, and to offer a suggestion or two as to its amelioration.

I cannot claim an extended familiarity with the early history of the construction of accident insurance policies, but to my notion it was something like this: The first, the very first, were comparatively simple in their scope, until it was discovered that this simplicity introduced a great quantity of what might be called freak accidents, for which the courts held the companies liable, thus: Mr. A. committed suicide while insane (everybody is insane when they commit suicide); held, an accident. "Suicide, sane or insane," forthwith barred by the policies. Mr. B. was frozen to death; held, an accident. "Freezing" barred by the policies. Mr. C. was hanged by a mob; held, an accident. "Intentional injuries inflicted upon the insured by himself or any other person" barred. Mr. D. lifted a weight and broke a blood vessel; held, an accident, and "voluntary overexertion" barred forthwith. And so on, until conditions and exceptions threatened to overbalance the policy.

That this began to develop into a species of contest between the courts and the accident insurance companies is shown by the fact that no sooner had these conditions appeared in the policies than the judges girded up their loins, as it were, and proceeded to whittle them down. For example, "hernia" was excluded by the policy. The courts held that this meant an exclusion only where the condition of hernia was the cause of the accidental injury; a combination of circumstances which, perhaps, never happens, and that the policy covered all hernia which resulted from the accident.

Again, injuries "contributed to by disease" being excluded, the courts held that "disease" meant some ailment more or less permanent or serious, and not a temporary disorder, such as vertigo, a fit, acute indigestion or the like. There is no doubt that in both of these instances the courts deliberately construed out of the exception the most important things which the companies had intended to cover.

Caustic comments by the courts accompanied these decisions. Such as this one from Missouri: "Indeed, it is somewhat difficult to name an accident, as society is now constituted, for which the defendant company would be liable, if a strict technical construction is indulged as to each of these conditions."

Or this from Pennsylvania: "We presume the insurance company has other forms of insurance to offer with more liberal conditions; if not, it is somewhat difficult to understand what there can be about this policy form to recommend it to enough intelligent insurers to keep the company alive."

Or this from Wisconsin: "The policy is accurately and skillfully drawn with the manifest purpose to obtain premiums with as little risk as possible."

While these remarks were directed at specific policy forms, they became general in their application by virtue of the fact that the forms were very generally the same in all companies. Yet the introduction of most of these conditions and exceptions was made by the companies with no desire to evade responsibility, but with the honest purpose of protecting themselves against fraudulent and unjust claims.

Facing renewed contests with the courts, the companies strengthen these conditions, they broaden the language, and thus their scope, in the hope of escaping the application of that somewhat overworked rule of law "that the contract of insurance shall be construed most strongly against the insurer."

Thus most of these conditions crept into the policy from a desire to enforce equity. Unfortunately, they have in many instances been utilized for other purposes. They have been used for defenses purely technical and against claims in every sense legitimate. Such proceedings naturally have not appealed to the courts, and too often in the eyes of the bench have the sheep and the goats been herded together, the companies who have presented equitable with those who have presented inequitable defenses. As a result of this, the ten day notice clause, the requirement of proper proof, and others, have been so thoroughly riddled by the shot of judicial opinions that they now are highly unreliable allies upon which to construct the basis of a defense.

So another stage has been reached by the companies—the simplification of the policy. Conditions are cast overboard like the useless cargo of a distressed vessel, and what is covered is reduced to the insuring clause, without limitation or exception. This has unquestionably been a great help in producing a more favorable attitude in the courts.

Mr. Farr then cited a number of legal cases illustrative of the varying views of similar cases reflected in court decisions. Continuing he said:

There are continually arising claims in which fraud is apparent, or in which disease is a pronounced factor. True, these questions involve not infrequently disputes of facts, but where the company is possessed of the weight of evidence, my suggestion is to prove it all, and even though defeated by the jury, to let the Appellate Court see that the company's object was not a mere

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subterfuge, but a substantial defense. In these cases such defenses as are afforded by the clauses of the policy can be used, and used to advantage. As has been shown, the courts will seize this opportunity to enforce justice and equity by a construction of the policy clauses in a manner favorable to the company, reverse the finding below, and not unusually enter judgment for the defendant company.

The effect of this will be that there then will appear in the law books decisions favorable to the companies and upholding the validity, in full, of clauses in the policies, eminently beneficial to the insurers. Were a consistent effort made by all companies in the matter of bringing to court only cases which assist this proposition, there would be gradually built up a body of law showing a more and more favorable trend in the construction of the policy forms, and benefiting all companies in future litigation.

The report of the committee on publicity reported that $14,000 had been subscribed, and it was voted to establish the bureau, with manager and competent corps of assistants.

On motion of Mr. Alexander the convention went on record as favoring a national health bureau, as suggested by Professor Fisher.

The McNeill medal committee reported as follows:

REPORT OF McNEILL MEDAL COMMITTEE.

The "George E. McNeill Medal" committee, after giving careful consideration to many worthv cases of heroism, unanimously decided in favor of recommending the award of two medals, one to Thomas Reynolds, of North Bay, Ont., and one to James W. Marrinan, of Woburn, Mass.

This opinion was concurred in by the sub-committee, consisting of Messrs. H. R. Woodward, of New York city; Charles C. Daniel, of Columbus, Ohio, and D. M. Baker, of Los Angeles, Cal., who were appointed by the executive committee to act with our committee.

Mr. Reynolds is a passenger conductor in the employ of the Canadian Pacific Railway. On January 21, 1910, one of the cars of the train of which Mr. Reynolds was conductor became derailed and fell over a bridge into a river. Although considerably injured himself, he dived into the icy water of the river, broke open a window of the car, assisted some of the passengers to get out, afterward climbing on top of the car and breaking a way through for those who remained in it. As a result of the exposure and injury received Mr. Reynolds was disabled for many weeks.

The committee took into consideration that clause in the resolution whereby those persons whose regular paid employment requires acts of heroism in the line of duty are excluded from the honor of receiving one of the "George E. McNeill Medals," and was convinced that Mr. Reynolds' case was not included in this exclusion, as it could not possibly be construed to be a part of his regular duty to take the great risk which he did.

Mr. Reynolds' bravery has attracted widespread attention and universal commendation. He has had the honor of having conferred upon him by the lamented King Edward VII one of the Albert Medals, being the first Canadian to be thus distinguished. His employers, the Canadian Pacific Railway Company, have recognized the heroic character of his service by presenting him with a gold watch, properly inscribed, accompanied with a check for $500.

The case of James W. Marrinan, of Woburn, Mass., is also one where a rescue was effected at great personal risk. On June 12, 1909, this young man, who is now seventeen years of age, was sitting on an embankment along the line of the Boston & Maine Railroad at Woburn, Mass., watching a ball game, when, hearing the shrill whistle of a locomotive, he looked in the direction of a rapidly approaching train and was startled by seeing a boy about six years old walking on the track and not heeding the engineer's effort to warn him. Marrinan shouted to him to get out of danger, but without result. He realized there was no time to lose, and ran up the track, grabbed the boy from in front of the locomotive, and with the child in his arms rolled down the embankment just as the train rushed past. Both escaped with slight bruises.

In recognition of his heroism Mr. Marrinan has been awarded two medals, one by the Humane Society of Massachusetts and one by the Carnegie Hero Fund Commission. That commission also awarded him $2,000 for educational purposes.

One of the committee, Mr. Herbert Walker, of Montreal, severed his connection with the accident business last January to take a position with a life insurance company at Winnipeg, Manitoba. He therefore tendered his resignation, which was accepted with regret. The vacancy was filled by the appointment of Mr. Denis Murphy, president of the Canadian Railway Accident insurance company of Ottawa.

The presentation speeches by Messrs. Lott and Bro Smith were eloquent. The acceptances were by Messrs. Jones, of Boston, and Williams, of Toronto, in behalf of the winners.

NEW OFFICERS ELECTED.

The convention elected the following officers: President, Walter C. Faxon, Ætna Life; vice presidents, Edward Williams, Imperial Guarantee and Accident, and L. C. Deets, Iowa State Traveling Men's Association; secretary, Robert Lyman, Continental Casualty; treasurer, B. A. Page, Travelers; librarian, H. G. Meininger, German Commercial Accident. Executive committee—A. E. Forrest, North American Accident, chairman; Edwin W. DeLeon, Casualty Company of America; W. G. Curtis, National Casualty; Wilfred C. Potter, Preferred Accident; William M. Tomlins, Jr., Empire State Surety; F. R. Jones, Fidelity and Casualty; Charles C. Daniell, Order of United Commercial Travelers; John T. Stone, Maryland Casualty.

The members of the McNeill Medal Committee are: G. Leonard McNeill, Massachusetts Accident; Franklin S. Dewey, National Casualty; Denis Murphy, Canadian Railway Accident.

The retirement of Mr. F. Robertson Jones as secretary was regarded with regret, as he has been a very efficient officer. He declined re-election because of pressure of other work.

The time and place for the next meeting was left with the executive committee, with the Hotel Frontenac at Thousand Islands as the unanimous choice of the committee on next convention.

The balance of the session was devoted to a spirited debate on the "frills" subject, and a motion by Mr. Alexander finally prevailed, which approves the recommendation of the committee on policy forms, and the executive committee was instructed to receive the report. The committee is to be continued and instructed to use all legitimate means to induce all the members to agree to adopt its suggestions. A poll of the convention showed that nineteen companies understand the eliminations apply to new business only.

A motion to accept the report of the executive committee was the last item of business. The establishment of the bureau of publicity was about the only thing accomplished.

Adjournment then followed.

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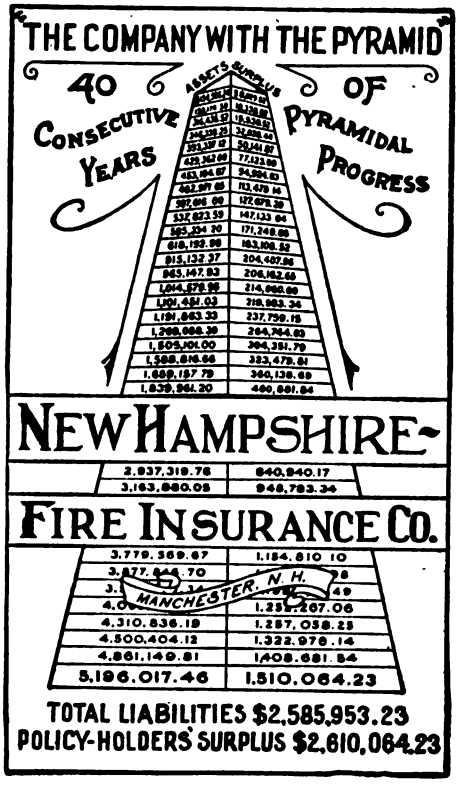

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Net Surplus	1,767,327.11
Insurance in Force	92,532,583.00

The Record for 1909 shows the following GAINS:

Insurance in Force	$4,164,239.00
Assets	1,917,117.00
Deferred Dividend Reserve	148,581.00
Contingency Reserve (Surplus)	655,149.17

OLDEST IN AMERICA STRONGEST IN THE WORLD

The Mutual Life

Insurance Company of New York

Mutual Life Agents Make Most Money Because Mutual Life Policies Sell Most Freely

For terms to producing agents address:

GEORGE T. DEXTER, 2d Vice-President,

34 Nassau Street, New York, N. Y.

[FIRE]

German American

Insurance Company

New York

STATEMENT JANUARY 1, 1910

CAPITAL

$1,500,000

RESERVE FOR ALL OTHER LIABILITIES

8,222,018

NET SURPLUS

6,440,211

ASSETS

16,162,229

GERMANIA

FIRE INSURANCE COMPANY

Organized 1859 **NEW YORK**

Cash Capital	$1,000,000.00
Assets	$6,562,329.14
Net Surplus	$2,008,419.02
Surplus for Policy Holders	$3,008,419.02

HEAD OFFICE: Cor. William and Cedar Streets

The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1910	$3,470,509.30
Total Liabilities, except Capital	1,920,837.24
Capital	500,000.00
Surplus to Policyholders	1,549,672.06

F. F. BUELL, Special Agent, Troy, N. Y.

Provident Life and Trust Co.

OF PHILADELPHIA.

The Provident has been particularly distinguished for the development of a highly trained force of agents. The systematic instruction which its agents receive has resulted in their being recognized as representatives of exceptional knowledge of the business and of marked efficiency.

Insurance Company of North America

FOUNDED 1792

232 Walnut Street, Philadelphia

Assets, January 1, 1909		$12,014,062.63
LIABILITIES—Reserved for Reinsurance and all other claims	$7,263,156.97	
Capital Stock	3,000,000.00	
Surplus over all Liabilities	1,750,905.66	$12,014,062.63

Agents in all the principal towns and cities.

EUGENE L. ELLISON, President.

T. HOUARD WRIGHT, Secretary. HENRY W. FARNUM, Assistant Secretary.

BENJAMIN RUSH, Second Vice President. JOHN O. PLATT, Assistant Secretary.

Surplus to policyholders, $4,750,905.66.

Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

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PHOENIX

ASSURANCE COMPANY, LIMITED, OF LONDON

(ESTABLISHED 1782)

LOSSES PAID, OVER - - - - $200,000,000

HEAD OFFICE FOR THE UNITED STATES

47 CEDAR STREET, NEW YORK CITY

A. B. IRVING, JR., SECRETARY — LOUIS P. BAYARD, PERCIVAL BERESFORD — JOINT MANAGERS

HARTFORD LIFE INSURANCE COMPANY

CHARTERED FORTY-THREE YEARS

GEO. E. KEENEY, President. THOMAS F. LAWRENCE, Secretary

1909 Policy Contracts are Participating and Non-Participating. Annual or Deferred Dividends—Rates revised and made lower. Values based upon the FULL RESERVE. Desirable Contracts for Producers. Address—

Second Vice-President, Home Office, HARTFORD, CONN.

1825. THE 1910.

Pennsylvania Fire Insurance Company

OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,349,097.67
Surplus	2,233,426.43
Total January 1, 1910	$7,332,524.10

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

INCORPORATED 1851.

Berkshire Life Insurance Company

OF PITTSFIELD, MASS.

All Policies issued by the Company are subject to the Massachusetts Non-Forfeiture Law.

JAMES W. HULL, President.
W. D. WYMAN, Vice-Pres. and Treasurer. J. M. LEE, Actuary.
THEO. L. ALLEN, Sec. ROBT. H. DAVENPORT, Asst. Sec.

Agencies in all the principal cities of the United States.

"The Leading Fire Insurance Company of America."

Incorporated 1819. Charter Perpetual.

Cash Capital	$4,000,000.00
Cash Assets	18,062,110.33
Total Liabilities	7,999,405.99
Net Surplus	6,062,704.34
Surplus as to Policyholders	10,062,704.34
Losses Paid in 91 Years	119,451,567.10

WM. B. CLARK, President.
W. H. KING, Vice President.
HENRY E. REES, Secretary.

A. N. WILLIAMS, E. J. SLOAN, E. S. ALLEN, GUY E. BEARDSLEY, W. F. WHITTELSEY, JR., "Marine," } Assistant Secretaries.

WESTERN BRANCH, Chicago, Ill.
THOS. E. GALLAGHER, Gen. Agt.
L. O. KOHTZ, Asst. Gen. Agt.
J. S. GADSDEN, Gen. Agt. "Marine."

NORTHWESTERN BRANCH, Omaha, Neb.
WM. H. WYMAN, Gen. Agent. W. P. HARFORD, Ass't Gen. Agent.

PACIFIC BRANCH, 514 California St., San Francisco, Cal.
E. C. MORRISON, Gen. Agt.
A. G. SANDERSON, Asst. Gen. Agt

INLAND MARINE DEPARTMENT.
CHICAGO, 159 La Salle St. NEW YORK, 95 and 97 William St.
BOSTON, 70 Kilby St. PHILADELPHIA, 226 Walnut St.

The Columbian National Life Insurance Co. of Boston, Mass.

LIFE, ACCIDENT AND HEALTH INSURANCE

The Only Massachusetts Non-participating Company.

The New Columbian Policies are Unexcelled in Clearness and Liberality. Good Contracts and Territory for Good Producers.

ARTHUR E. CHILDS, President

COMMERCIAL UNION ASSURANCE CO.

LIMITED,

OF LONDON.

OFFICE:

Cor. Pine & William Sts., New York.

of New York

SUPERIOR POLICIES

KIMBALL C. ATWOOD, President,
290-292 Broadway, New York.

THE LEADING FIRE COMPANY OF THE WORLD

[of Liverpool, England.]

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1857 —— CHARTER PERPETUAL —— 1910

THE GERMAN MUTUAL LIFE INSURANCE COMPANY
OF ST. LOUIS, MO.

Attractive Policy Forms and Low Premium Rates.
Liberal Contracts to Reliable Producers.

PROVIDENT SAVINGS LIFE ASSURANCE SOCIETY N.Y.

THE ONLY COMPANY IN THE WORLD THAT

"Insures Lives and Guards Them Against Disease"

APPLY
35 Nassau Street, New York, N. Y.

FIRE ASSOCIATION
1817 OF PHILADELPHIA 1908

Total Assets,	$7,840,675.19
Capital Stock,	750,000.00
Net Surplus,	1,804,021.58

E. C. IRVIN, President.
T. H. CONDERMAN, Vice-President.

New York City Department
KELLY & FULLER, Agents
92 William Street, New York City
Boston Department
JOHN C. PAIGE & CO., Agents
65 Kilby Street, Boston, Mass.

THE Fidelity and Casualty Company,

97-103 CEDAR STREET, NEW YORK CITY.

Assets, $9,598,924.02.
Capital and Surplus, $3,564,229.90.
Losses Paid to January 1, 1910, $31,636,503.21.

This Company grants Insurance as follows:
Bonds of Suretyship for persons in positions of trust,
Fidelity Bonds, Burglary, Plate Glass,
Steam Boiler, Flywheel, Employers',
Public, Teams, Workmen's Collective,
Elevator and General Liability;
Personal Accident, Health
Physicians' Liability.

OFFICERS:
George F. Seward, President.
Robert J. Hillas, Vice-President and Secretary.
Henry Crossley, Assistant Secretary.
Frank E. Law, Second Assistant Secretary.
George W. Allen, Third Assistant Secretary

ILLINOIS LIFE
INSURANCE COMPANY, CHICAGO
JAMES W. STEVENS, President.
Offers exceptional inducements to reliable and energetic men who are experienced in or who would like to enter the business of life insurance.
Address the HOME OFFICE:
Fort Dearborn Building 134 Monroe Street

MEN OF ENERGY
ARE OFFERED
WORK OF MOMENT

in desirable localities representing a sixty-year-old institution, with modern, liberal, law-conforming policies, and helpful Home Office co-operation. Much good territory available. Many opportunities for advantageous positions. Inquire NOW.

Union Mutual Life Insurance Co.
PORTLAND, MAINE
FRED E. RICHARDS, President
Address either: ALBERT E. AWDE, Supt., Flatiron Bldg., Watertown, N. Y.
THORNTON CHASE, Supt., 405 Exch. Bldg., Los Angeles, Cal.

Head Office for the United States:
57 and 59
William Street,
NEW YORK.

LONDON & LANCASHIRE FIRE INSURANCE COMPANY

A. G. McIlwaine, Jr., Manager.

IT PAYS THE AGENT
To represent the best company. There are many excellent standard life insurance companies. Which is the best? In stability, progressiveness, liberal contracts to agents and low cost to policyholders no company surpasses
THE
Union Central Life
Insurance Co. of Cincinnati
ASSETS, $74,523,966.28 - - - LIABILITIES, $72,324,302.92
Good openings are occuring from time to time.
ADDRESS:
JESSE R. CLARK, President. ALLAN WATERS, Sup't of Agents.

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A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS is unsurpassed for net low cost and care of interests of all members.

The Penn Mutual Life Insurance Company
OF PHILADELPHIA

On January 1, 1909, rates were reduced and values increased to full 3 per cent. reserve.

National Life Insurance Company
of the United States of America

ALBERT M. JOHNSON, President

More than $9,750,000.00 in Assets
Excess Security to Policyholders,
$1,300,000.00

Chicago's Oldest and Strongest Company

OUR NEW POLICIES ARE WORLD BEATERS
LOW RATES AND HIGHEST VALUES

You Lose Money When You Neglect Your Chance to Sell Them

WRITE TO
Robert D. Lay, Secretary, 159 La Salle Street, Chicago

201st YEAR
SUN
INSURANCE OFFICE
OF LONDON

FOUNDED 1710

U. S. Branch: 54 Pine Street, New York

Western Department
171 La Salle St.
Chicago

Pacific Department
Sansome & Sacramento Sts.
San Francisco, Cal.

AGENTS WANTED AT UNREPRESENTED POINTS

THE HOME LIFE INSURANCE COMPANY
OF AMERICA. Inc. 1899

JOHN LANGHAM, Jr., President JOSEPH L. DURKIN, Secretary
EDWARD P. MADDEN, Treasurer

General Agents and District Managers
who can produce Ordinary Business can secure "GROUND-FLOOR" contracts with GUARANTEED RENEWALS and an assignment of territory limited only by capacity to produce AGENCY ORGANIZATION and Business. Send for Sample Policy. *It is one you can sell.*

New Business, $1,500,000, January-June, 1910.

Address GEO. M. NETTLESHIP, General Manager
Executive Offices, 416-18-20 Walnut St., Philadelphia, Pa.

HANOVER

Agencies
in all the Principal Places
in the United States.

Fire Insurance Company
OF NEW YORK.

Western Assurance Company
HEAD OFFICE: TORONTO, CANADA.
INCORPORATED 1851.
Hon. GEO. A. COX, President.
W. R. BROCK and JOHN HOSKIN, K. C., LL. D., Vice Presidents.
W. B. MEIKLE, General Manager.
UNITED STATES STATEMENT, JANUARY, 1910.

Assets	$3,377,303.37
Surplus in United States	839,368.07

THE
John Hancock
MUTUAL
LIFE INSURANCE COMPANY
OF BOSTON MASSACHUSETTS

Good Contracts for Good Men.

ROLAND O. LAMB, President.
Robert K. Eaton, Superintendent of Agencies.
Walton L. Crocker, Secretary.

WILLIAM N. COMPTON, General Agent, St. Paul Building, New York

North British & Mercantile
INSURANCE COMPANY,
OF LONDON AND EDINBURGH.

Established 1809.

OFFICE:
76 WILLIAM STREET,
New York City.

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ACCUMULATIONS!!

A Policy that increases each year the
WEEKLY INDEMNITY
for accident or sickness is one that puts
accumulations in reach of the assured—

THE GENERAL ACCIDENT UTOPIA POLICY

does this. Ten per cent yearly for 5 years.

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HARV... OCT ... CAMBR...

The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1860.

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

THE State insurance commissioners in annual convention at Mobile this week had a busy meeting, as will be seen by our very full special report of the proceedings. The most important work accomplished was perhaps the agreement upon a uniform bill to regulate fraternal insurance. As the concurrence of the representatives of the two national associations of fraternal orders was secured, the event may be regarded as epochal in the fraternal business. It will prolong the lives of the orders, if it does not ultimately save the best of them. The convention took action on the matter nearest to the minds and pockets of the fire underwriters at present, i. e., the regulation of agents' commissions, and if it can have its way in the State legislatures—in the absence of uniform acceptance by the companies—that action may mark an epoch in fire insurance also. The influence of the insurance commissioners on legislation has grown through association. The annual meetings of recent years have been replete with activities. The old custom of gathering to listen to reports and postponing action on them until another year has passed. The commissioners do things, and it is fair to them to record that in association they are animated by the desire to conserve the best interests of the insurance companies. Some individual commissioners may be inimical, but the association is not.

THE insurance commissioners took official notice in convention of the extraordinary exposure of the misdeeds of the officers of the Shawnee Fire insurance company, resulting from its examination by Actuary Wolfe. There has seldom been a collapse of a pretentious corporation so sudden and unexpected. Mr. Going, its manager, has been posing as a great and successful underwriter, and on the strength of that assumed reputation has taken the field as a reformer of fire insurance methods. In defiance of all his business associates he was the instigator and defender of the Kansas rating law, and he has sided with the State in the legal contest instituted by the companies to overthrow the law. The disastrous failure of its champion ought to have a potent effect on its underpinnings, and even upon the State rate-making tendency elsewhere. The insurance commissioners show a disposition to sift Mr. Going's business transactions with the purpose of ascertaining if they involved criminality. It certainly appears that statements of the company's condition were sworn to as true before the insurance departments in numerous States which were not true according to Mr. Wolfe's report. The report on the case adopted by the convention urges upon its members "the advisability of examining the statutes of their respective States, in order to determine whether indictments for perjury will properly lie."

THE New York Legislature will be asked, when it assembles, to extend beyond December 31, 1911, the time in which New York life insurance companies must dispose of their stock holdings. The date mentioned is the limit of the five years allowed for that purpose by the Armstrong law. The companies have been diligent in efforts to place their stocks without loss, and it appears from a statement by President Peabody, of the Mutual Life, that that company has so far reduced its holdings by $25,000,000. But notwithstanding it has never declined a fair offer for any of its stock, it still has a large amount on hand, which it cannot force on the market at present or very soon without heavy loss. It is obvious that as long as possible buyers look toward a time within the five years' limit fixed by the law when the company must part with its stock holdings, whether it is willing or not, they will do what they can to depress their value. This can be accomplished by the various devices well known in the speculative stock market. Life insurance managers having the interests of their policyholders at stake should not be placed at the disadvantage of having to face this condition, and the Legislature cannot reasonably object to their request that they may be enabled lawfully to avoid it. The limit of time should be extended fully five years. We print President Peabody's convincing statement.

THE advocates of Federal supervision of insurance practically admit that it cannot be obtained by means of an amendment to the Constitution or by a favorable vote of the two houses of Congress. They have fallen back on the proposition that the Supreme Court of the United States would probably reverse itself if a case involving the question whether insurance is interstate commerce were brought before it. The foremost, as well as the most forcible and insistent of the Federal supervisionists, President Kingsley, has put the proposition in a concrete form when he says that as the Supreme Court has reversed itself in other important instances, it is possible that it may in that of insurance, and that as "insurance in its present relations to the business of the country has never been fully discussed before the Supreme Court," and if now presented might appear differently, considering that "because of the development of the country through the railroads, the telegraph and the telephone a business which fifty years ago might not have been interstate commerce may be interstate com-

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merce now." There is so much of credibility in this view that it would be well worth an effort to put it to a test. Indeed, we understand that the suit instituted by the New York Life in Montana, against the tax on its premiums by Deer Lodge County, is intended for such a final determination by being taken in due course to the highest court. The composition of the Supreme Court has been undergoing a change recently as the result of death and resignation, and there may be a growth toward broader federalistic views, but it must be remembered that Governor Hughes, who is, in all probability, to become the head of the court, did not express a hopeful opinion of national supervision in his speech before the Association of Life Insurance Presidents at its annual meeting at Washington last January, and, indeed, was ranked among the "State's rights" delegates to the House of Governors, which met at the same time. It is worth considering, in discussing the probable outcome of another appeal to the Supreme Court on the commerce question, whether the members of the court may not feel the influence of a popular sentiment, which clings to State control over corporations operating in the State—a sentiment that would prevent the passage of a constitutional amendment relinquishing it, and be reflected in the course of Congress as the representative of the popular will. But that can be determined by the test case which is on its way to the Supreme Court.

Facts and Opinions.

The committee on the **Minnesota clear space clause** has sent the members of the Western Union a statement of the situation. The Supreme Court of Minnesota held in 1906 that the warranty on the part of the assured to maintain a continuous clear space of a stipulated number of feet on lumber risks could not be enforced under the Minnesota standard policy law. The Minnesota Insurance Department afterward prescribed a standard clear space clause following the language of the original clause, but providing that "failure on the part of the insured to comply with the terms of this clause shall not avoid this policy, nor in any manner lessen the liability of the company hereunder, but in case of such failure the insured shall be liable to the company for the difference in premium hereinbefore set forth." Investigation has shown that a large proportion of mill lumber in Minnesota is insured under a form containing a description covering the premises on which both the lumber and the saw and planing mills are situated, so that the insured is getting insurance on lumber at a rate contemplating the 200 foot clear space while not entitled to so low a rate, taking chances that he will be obliged to pay an increased rate only in case fire occurs. The committee hopes to make further recommendations soon which will have the effect of securing the continuous clear space, in consideration of which the reduction in rate is made. In the meantime the committee recommends that policies on mill lumber make the description and location absolutely clear and definite by providing that the lumber is at least 200 feet distant from any woodworker's or manufacturer's establishment.

The New York life insurance companies having still on hand among their assets stocks which the Armstrong law directed should be sold within five years, the limit expiring December 31, 1911, have decided **to ask** the New York Legislature at its next session **to extend the time.** Unless it is done it is probable that some $100,000,000 of stock holdings yet unsold will have to be forced on the market at a heavy loss to the policyholders. President Peabody of the Mutual Life has made a statement of the case regarding his own company, which is as follows:

Had the Mutual disposed of its stock holdings of 1906 at the best prices obtainable for large blocks since that time its loss would have been over $10,000,000. Even of active stocks we have been unable to sell more than a few hundred shares without driving prices below a fair level. I do not propose to make myself liable to incarceration for infraction of the law if I can help it, neither do I propose to bear the responsibility of incurring any such loss to the company. We are advised that the Armstrong law is unconstitutional as regards our stock holdings, but I intend to place the matter fairly before the Legislature to ascertain whether we are expected to accept unreasonable prices simply because a legislative order apprises the market that we will be compelled to sell certain holdings by a certain date. Many of these holdings are inactive, such as National Bank of Commerce stock. We do not feel called on to give away control of that bank, and to secure a fair price we must bide our time. To show that we have acted in good faith, we have disposed of some $25,000,000 of the specified holdings since enactment of the Armstrong law. No one has offered anything like a fair price at any risk of being refused. There are plenty of bargain hunters, who, knowing that such a block of stock must come into the market by a fixed date, will "bear" that particular stock that we may be compelled to part with it at a fraction of its value. As executive of the company I do not intend to play into such hands if I can avoid it. That is why we have two-thirds of our 1906 stock holdings still on hand, and that is why we shall go before the Legislature for an extension of time.

The **Security insurance company of New Haven** is now located in its new home office building, at the corner of Elm and Church streets, New Haven. The building is one of the best arranged insurance offices in the country. As one enters, the local department is the first to greet the eye, yet behind a ground glass screen one can get a glimpse of an immense workroom, extending full two stories in height. The officers' and directors' rooms occupy the second story front. A balcony opens off these rooms over the "workshop," where an imposing array of desks and maps and busy clerks gives evidence of a thriving business. This room is lighted by skylights from above and by windows high up on the sides. Each desk and file case has its own electric light besides. A system of intercommunicating telephones gives each department immediate access by word of mouth to any other department. An inspection of the building from cellar to roof reveals nothing but A1 construction, with a view alike to comfort and stability. The skylights are so arranged as to admit north light only. Wired glass in metal frames is used throughout the building, though the exposure hazard is not a severe one. The furniture and fixtures display excellent taste, being harmonious of design and without ostentation. The private offices are furnished in mahogany. The Security will soon increase its capital stock from $500,000 to $700,000, at 200 per cent., thus adding $200,000 to the surplus.

In transmitting to the Governor the **Alabama insurance report** for 1910, Commissioner Julian urges upon the executive the need of strengthening the present insurance laws, and adding additional provisions for the better administration of the Insurance Department. He notes the enactment of a fire marshal law, and suggests legislation to check unauthorized insurance in the State and relief to insurance companies from the enormous burden of municipal taxation. The repeal of all special charters to insurance companies granted by the Legislature in past years is earnestly recommended. He condemns in strong terms the making of fire insurance rates by the State. On this subject he says:

The State of Alabama is rapidly developing, and naturally cheap money is desired, and I know of no better source to secure large volumes of insurance money than from insurance corporations. However these corporations are slow to invest in those States which enact drastic and unwise laws. It is to be hoped that every safeguard will be thrown around the policyholder, and at the same time a liberal spirit will be shown the companies. The experience of those States that have attempted to compel impossible things of insurance companies has been disastrous. It occurs to me that one of the most popular fallacies is the making of rates by a State board

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in the matter of fire insurance. My observation has been that those States providing for a rate making bureau have not benefited the insured, but, on the other hand, have caused a great deal of confusion, bringing into the State a number of weak corporations, and the result has been to drive the stronger companies from the State. Alabama, I hope, will not attempt to begin the experiment of making rates.

The vacancy in the staff of the **Northern Assurance of London,** caused by the resignation of Mr. J. Campbell Hayward, for the past five years manager of the loss department, has been filled by the appointment of **Mr. Harold G. Howe,** of the loss department of the Commercial Union, who will join the Northern on Monday, October 3, as general adjuster and manager of the loss department. Mr. Howe will have full charge of the loss department of the Northern, and will represent the company on the committee on losses and adjustments of the New York Board of Fire Underwriters. Mr. Howe is a native of New Jersey, and is thirty-one years of age. He was educated in the public schools, and at the age of fourteen years he entered the service of the Commercial Union, where he has remained faithfully ever since. He has studied at a business college, and has taken the special fire insurance course at New York University. His diligence has brought him up from the ranks to the responsible position in the loss department of the Commercial Union, which he is now leaving, and which he has held for the past three years. In his new position he will have the unique distinction of being the youngest adjuster on the New York Board committee. The Northern is to be congratulated upon securing the services of so energetic and trustworthy a man as Mr. Howe.

A report of the examination of the **Fidelity Mutual Life** of Philadelphia by S. H. Wolfe for the Alabama Insurance Department has been made public by Commissioner Julian. Accompanying the report are a letter by President Fouse commenting on some of its features and a rejoinder by Examiner Wolfe. The commissioner, in a concluding communication to the president, expresses the wish that Mr. Wolfe's recommendations be put into effect. Regarding the division of the surplus funds, he decides that they should be apportioned in accordance with President Fouse's contentions. Regarding indemnity reserve policies, the commissioner will not insist that the guarantee suggested in the report be made to the policyholders of this class, and relies on the company's statement that it is now and will continue to treat all policyholders alike. He does not approve of the company's investments in the stock of the Philadelphia Casualty Company, holding that a mutual life insurance company should not invest its funds in the stock of another insurance company. In behalf of the Fidelity Mutual, however, he states that the stock referred to is quoted above par. The company is in excellent condition.

The extreme **shortage of water** at Mount Vernon, White Plains, Westchester and the adjacent villages just north of Greater New York has not only been extremely uncomfortable for the residents of those localities, but has attracted the attention of fire insurance companies who have risks in those localities. The officials of fire departments took every precaution by increasing the number of chemical extinguishers answering alarms, and by sending along extra supplies of materials for recharging the tanks on the spot. Warnings to citizens to be extra cautious to prevent fires were spread abroad. The situation was also a menace to public health, and the public schools were required to be closed. Water for drinking and cooking was available for only a few hours each day in several places until the situation was relieved by tapping the New York city mains. The odor from thousands of dead fish on the mud bottoms of reservoirs contaminated the atmosphere. It was a most distressing condition during the famine.

In an address at Bretton Woods, N. H., this week, at the conference between officials and field men of the New York Life, President **Darwin P. Kingsley** contrasted American and English ideas with regard to life insurance. He said during the course of his remarks:

In this country life insurance is written and carried to meet a peculiar obligation which the man feels here and does not seem to have, or at least to feel in the same way, in the other countries of the world. New ideas always have to fight against the habits, customs and superstitions of society. Life insurance strikes a lower level in Europe because it is harassed and hindered by habits of mind which are the legacy of centuries, by theories of government under which individual responsibility has not yet fully emerged. In the United States, on the other hand, individual responsibility has emerged, habits of mind are forming, customs are being established, and age long superstitions have substantially been eliminated.

The **Illinois Pond of the Blue Goose** elected officers Tuesday evening as follows: Most loyal gander, Carroll L. Dewitt, general agent Newark Fire; supervisor of the flock, E. T. Tanner, special agent Security Fire; custodian of the goslings, Fred Sauter, Cook County manager Royal Exchange; keeper of the golden goose egg, J. L. Whitlock, Western manager Glens Falls; wielder of the goose quill, W. S. Crawford, of the *Western Underwriter;* guardian of the pond, L. S. McAneny, of the Philadelphia Underwriters. The Illinois Pond will give a complimentary dinner to the Grand Nest officers at the Hotel La Salle next Tuesday night, at which the grand officers will speak, as will also Insurance Commissioner Barry of Michigan.

Complaint is made by companies not members of the Underwriters Salvage Company of Chicago that it is preventing competition in **the handling of salvage stocks.** In the recent Powers & Hutchinson loss at Minneapolis it is stated that the Western Adjustment Company represented over 70 per cent. of the insurance, and thereby controlled the handling of the salvage. Its representatives, acting under specific instructions from the board of directors, voted to turn over the stock to the Underwriters Salvage Company without bids or guarantees of any kind, refusing to receive or consider a bid from the Samuel Gans Company. It is understood that the Gans Company was ready to bid at least $30,000 for the stock.

A movement is on foot in **Connecticut** to procure the enactment of **legislation** this winter to protect widows and children who are beneficiaries under life insurance policies in which the right to change the beneficiary has been reserved by the assured. This reservation, it is claimed, has the effect of making the policy a part of the estate of the deceased, and thus subject to raids by creditors. The legislation proposed in Connecticut will exempt life insurance policies from levy and make safe to the beneficiaries their proceeds, providing the beneficiary is either widow or child of the insured. Such exemption is already in force in several States.

The consulting engineers of the National Board of Fire Underwriters have issued a list of **approved storage and supply systems** and receptacles for 250 gallons or less of hazardous fluids which may be permitted for use when installed according to requirements if the company insuring the property consents to the same in writing on its policy. The engineers point out that the use or storage of fluids giving off inflammable vapors at ordinary temperatures, even with all

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known precautions, is a danger which should always be recognized. The list may be obtained from Secretary W. H. Merrill, at the Underwriters' Laboratories, 207 East Ohio street, Chicago.

The **decision** of Judge Weir of the Marion County, Ill., Superior Court in the famous **Indiana anti-compact suits** was filed Thursday. By its terms it is not unlawful for fire insurance companies to combine in the matter of employment of inspectors to measure the fire hazards of risks and furnish estimates, but they may not combine to enforce rates. Attorney General Bingham had attempted to put the inspection bureau out of business, but the court held that the absolute necessity of securing information upon which to base rates had been conclusively proven by the defendant companies.

For the lack of a nickel a Philadelphia lady was unable to procure telephone connection with the fire station, although the house was burning over her head, and the delay incident to going to the house of a neighbor to telephone an alarm enabled the flames to do large damage; also requiring a greater use of water to overcome them. The telephone operator who refused the connection said she was bound by orders, concerning which some criticism is heard. The moral to be evolved from this tale is, perhaps, that a nickel should always be kept on the telephone box.

The Chicago *Record-Herald* says that "it is learned that the **commission paid by the National** of Hartford for the reinsurance of Shawnee Fire was 34 per cent. of the unearned premium reserve. The exact liabilities are still undetermined, but assuming the reserve to be $1,500,000, the amount required to get rid of the liability would be $990,000. On this basis the assets would cover this and leave something for the stock, especially since the reserves will probably be reduced by cancellations following the reinsurance."

A report from Chicago says that it is understood that Professor Whitney, the actuary for the New York Investigating Committee, is **urging compulsory classification,** and will submit to the committee a plan covering twenty-three classes, and suggesting that a law be passed requiring all companies doing business in New York to report their business on that basis. It is not yet known whether he intends to use the results of this classification as a basis for making rates or as a means of testing them after they are made.

The **Iowa Fraternal Congress** held its annual meeting at Des Moines September 20 and 21, William Koch, head of the Yeomen, being elected president. J. C. Root, sovereign grand commander of the Woodmen of the World and founder of the Modern Woodmen, presented a paper on "The Tentative Bill," which was generally discussed. The concensus of opinion was that fraternal rates must be increased, but that this should be done by the individual action of the orders and not as the result of legislative compulsion.

The **Ohio National Life** insurance company, newly organized, has received its Ohio license and will make application in Kentucky, Indiana and Illinois at once. The statement some time since by Insurance Commissioner Lemert of Ohio that he would not license new companies with large promotion expenses seems to give the Ohio National a clean bill of health. Its capital is $500,000, with equal surplus, and $300,000 of approved securities have been deposited with the Ohio Insurance Department.

The **St. Louis Axle Company** has called upon the fire insurance companies interested in its loss of August 8 to pay in full on policies covering on patterns and machinery, in spite of the coinsurance clause under which the insured was liable for a portion of the loss. The Missouri law provides that only real property can legally be covered by the coinsurance clause, and the assured repudiates the clause in the contract, there being no question as to values and damages.

In his **annual report** of the **North Carolina Insurance Department** for 1909 Commissioner James R. Young says:

> There is no doubt but that great good has been accomplished in this State as well as in other States where the fire marshal law has been enacted and enforced. Since the beginning of this work there have been convictions of 112 persons, and there are many investigations now going on, besides about a dozen persons bound over by committing magistrates and awaiting trial.

The receipts of the department for 1909 were $246,566.89, which is an increase of $12,098.26 over the preceding year.

A committee from the **Cleveland** Insurance Exchange visited Chicago last week to take up with the Northern of London the situation created by its continuation in one of the **bank agencies,** which, under the exchange rules, cannot become members of the board. The other agencies which had the Northern resigned the company, hoping to force action on the bank agency, but the Northern declined to take it up.

The **Continental** of New York, which recently entered the Dominion of Canada, announces that it will not join the Winnipeg Board of Underwriters or the Canadian Fire Underwriters' Association. The company is willing to let its local agent join in his individual capacity any rating organization he sees fit, but the Continental as a company will not, and will reserve the right to pay a contingent commission.

It is announced that **Mr. W. R. Halliday** is starting in business for himself as consulting actuary at Birmingham, Ala. Mr. Halliday is a Fellow of the Faculty of Actuaries by examination, and has had many years of most valuable insurance experience in the head office of the North British and Mercantile at Edinburgh. His services should prove of value wherever required.

The new Texas law regarding the **insurance of cotton** may make it necessary to return in that State to the ancient practice of insuring each individual bale, with the attendant necessity for numbering and marking each bale. Such laws in other Southern States have been repealed, owing to the obvious difficulty among shippers and factors in securing satisfactory coverage.

London Lloyds has secured the schedule of the Wells-Fargo Company, with the London Mutual Fire of Toronto as warranty company. The line amounts to $2,000,000, with a rate of 50 cents, half the property being on the Pacific Coast. The Pacific Coast Board granted relief in an endeavor to retain the line for the regular companies, but was underbid by London Lloyds.

It is stated that Chetwood & Co., of Philadelphia, who claim that they were given a contract to manage the surplus line department of the Scranton Fire, and also to represent it as general agents in a number of States, **threaten to sue** the company for breach of contract, the surplus line department

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having been given to R. S. Folsom and the general agency to Whilden & Hancock.

In **West Virginia,** according to the bulletin issued from the State fire marshal's office, there is a **daily fire loss** of $490 chargeable to defective flues. The bulletin urges that chimneys be inspected carefully before putting up the stove this fall. The August fire losses in that State were $100,604, affecting insurance policies amounting to $108,741 on values aggregating $220,856.

The **National Association of Mutual Insurance Companies,** in session at Peoria, Ill., this week, elected the following officers: President, W. E. Straub, Lincoln, Neb.; vice president, W. H. Hagerty, McMinnville, Ore.; secretary, C. M. McMillan, Carthage, Mo.; corresponding secretary, A. Freestone, Erie, Pa.; treasurer, F. D. Babcock, Ida Grove, Ia.

The exceptions to the supplemental report of the special master in the **case of the Mutual Reserve Life** were being heard by Judge Ward in the Federal building as this paper went to press. The proceeding is for the purpose of advancing the case more rapidly to the point where a distribution of funds to the parties entitled thereto may be made.

The examination of the **Modern Woodmen of America** by the Illinois Insurance Department will begin in October, and some interesting developments are expected. At several Woodmen meetings recently charges have been made of irregularities at the home office, and it is understood that these will be carefully investigated by the examiners.

The New York State Insurance Department has published a report of an examination of the New York **Safety Reserve Fund** of Syracuse, which is a co-operative assessment association. Total admitted assets on May 31, 1910, were $154,531.67 and surplus $130,536.02. The report criticises some of the bookkeeping methods of the association.

The Equitable Life of San Antonio, Tex., which has started business, **will write non-participating policies only.** Dr. Wm. M. Brumby, who has just resigned as State health officer, will be medical director, and the standard for admission will be high. The company's "increasing death benefit" policy seems to win favor wherever it is presented.

The **Policyholders' Union of Chicago** is accused of recommending to its clients the use of unauthorized companies, having advised an insured to introduce competition in order to get his rate reduced, and to go to Johnson & Higgins, of New York, for that purpose. The matter will be referred to the Insurance Department.

Word comes from Texas that **Mr. E. C. Von Rosenburg,** the new Commissioner of Insurance and Banking, **wants** the two **departments separated.** He thinks that the supervision of insurance matters is sufficient for one man, without the added responsibility of supervision over the 600 or so banks in the State.

The latest tabulation shows that **Des Moines** houses forty-five **insurance companies** of various classes, of which forty-three are under the supervision of the State Insurance Department, the Iowa State Traveling Men's Association and the Northeastern Life Stock Insurance Association being exempt.

The **Provident Savings Life** of New York announces the **appointment** of Mr. Ralph H. Gorsline as manager at its Rochester, N. Y., agency. Mr. Gorsline is an experienced insurance man, and leaves the Penn Mutual Life to take the above mentioned position with the Provident Savings.

At Baltimore the **Baltimore & Ohio** Railroad Company has **safeguarded its terminals,** docks and other buildings by the installation of a modern high pressure system, with 18,000 feet of hose and other fire fighting apparatus. A new separate pumping station for this service is provided.

It is reported from Ashland, Wis., that an agent and owner **conspired to insure** a lumber and box plant **after the fire** had occurred, and the two are now under arrest as the result of the activity of the Wisconsin State fire marshal. About $12,000 of insurance was involved.

On October 5 **Theodore Grefe,** who has resigned as vice president and secretary of the State Fire of Des Moines to become underwriting manager of the Queen City Fire at Sioux Falls, will be given a farewell banquet by his Des Moines associates.

Recently Henry Evans **circularized his** twenty thousand **agents** representing the Continental, Fidelity-Phenix and Fidelity Underwriters, authorizing larger lines and asking for an increase of 50 per cent. in business on the desirable classes.

The **Illinois Fire Insurance Commission,** appointed by the Legislature to report on the advisability of the State undertaking any measure of supervision of insurance rates, held an executive session at the Hotel La Salle in Chicago Thursday.

The ruling of the **Texas** Attorney General is that **guaranteed dividend life policies** issued by Texas companies are **illegal,** inasmuch as they depend on profits, which are uncertain, and, therefore, cannot be guaranteed.

It is announced at Washington that the **death rate in the United States** for 1909 was fifteen in each 1,000 of population, which is the lowest average ever recorded for this country.

The **will of Marshall S. Driggs,** the late president of the Williamsburgh Fire, offered for probate in Brooklyn Thursday, disposes of an estate valued at more than $1,000,000.

The **Union Life of Chicago** has been licensed in Michigan, with Dr. W. T. Hall as manager at Detroit and his brother, Dr. L. S. Hall, as manager at Grand Rapids.

The **Royal** received its New York license **to transact marine insurance business** this week. Several weeks will elapse before the actual writing of policies begins.

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Shareholders of the **United Firemen's of Philadelphia** will vote soon on the proposition to increase the capital stock from $200,000 to $400,000.

A **fire loss** of $75,000 is reported on the Deering twine warehouse in Chicago, a risk covered by the senior mutuals.

The **General Fire of Paris** has been licensed in Indiana, with Fieber & Reilly as agents at Indianapolis.

The **Rochester German** has been licensed in California.

Personal.

Mr. Harold G. Howe, who, as announced elsewhere, has joined the staff off the Northern Assurance as general adjuster, is a graduate of the New York University Fire insurance course, and is an exponent of the theory of "higher education" for insurance men. He is president of the Barebones Alumni Association, and is actively engaged in planning supplemental courses in the study of insurance, both in the alumni association and the Insurance Society of New York, of which he is also a member.

Messrs. Klee, Rogers & Co. have given to A. T. Graham, who has been manager of their special hazard department, their automobile agencies for the Providence-Washington and London Lloyds, taking effect October 1. Mr. Graham continues his offices with Klee, Rogers & Co., and will also write tourist floaters and transportation insurance for London Lloyds, and represent the American Live Stock Company for horse insurance.

Captain Francis J. Werneck, chief clerk in the actuarial department of the Mutual Life for over twenty years, died at his home in New York city Wednesday, aged seventy-eight years. He was a veteran of the Civil War, during which, at the battle of Gettysburg, he lost one leg. He served as a captain in the Fifty-fourth Regiment of New York Volunteers.

Mr. Henry J. Powell, Louisville manager of the Equitable Life, and recently elected president of the National Association of Life Underwriters, will be the guest of honor at a dinner arranged by his Louisville colleagues at the Pendennis Club for October 3.

Mr. Howard N. Skillin, cashier and assistant manager of the Chicago agency of the Union Mutual Life for the past seven years, has been transferred to Cleveland as manager for the company for Ohio, Byron C. Howes succeeding him as cashier in Chicago.

Mr. George M. Reynolds, president of the Continental and Commercial National Bank of Chicago, has been appointed a member of the Illinois advisory board of the National Surety Company.

Mr. A. M. Stewart, Eastern general agent for the Fidelity-Phenix, and for several years before the merger occupying a similar position with the Phenix of Brooklyn, has resigned.

Mr. J. Frank Stockdell, former assistant manager of the southern department of the Phenix, has been appointed assistant manager for the Interstate Fire of Birmingham.

Mr. Leo K. Hennes has been appointed Detroit agent of the Massachusetts Fire and Marine.

Casualty and Surety Insurance.

Among the numerous **unusual accidents** of the week were these: A Chicago boy watching the aviation spectacle fell down the inside of a 60 foot chimney and was found buried in a pile of soot at the bottom. He was only slightly injured.

At Chicago a seventy-five years old joker pulled a chair away in which his wife was about to sit, resulting in her death from injuries to the spine.

As the result of eating lobster salad, three Elizabeth, N. J., people are dead and sixteen are ill.

Jumping for the steps of a moving electric train, a Harlem man fell to the tracks and suffered fatal injuries.

Two men and a woman were killed by the overturning of an auto as it plunged over an embankment near Hastings-on-the-Hudson, N. Y., while its occupants were on a "joy ride."

At South Norwalk, Conn., the hobble skirt claimed another victim, a young woman having her leg fractured by a fall while playing tennis.

At Littleton, Mass., a physician and nurse jumped while bathing from a boat, and were drowned in water slightly beyond their depth.

Startled by the sound of the big guns on the battleships anchored in the North River, a Harlem woman jumped in front of an auto in Riverside drive and suffered the fracture of her arm, besides severe bruises.

The **rulings and suggestions** of the insurance departments of New York and Massachusetts as to the forms **for the new standard provisions policies** for health and accident companies were forwarded to the companies on Thursday of this week. The circular occupies three closely printed pages of foolscap size, and contains many technical suggestions with regard to the wording of the new policies. The suggestion is made with regard to several clauses that "the following wording will be acceptable," etc., giving the companies to understand that anything else will be in danger of revision. Each of the nine so called standard provisions are thus illuminated. Heretofore it has been the custom of most casualty companies to dispense with applications signed by the proposed insured, but in lieu thereof there has been printed on the back of the policies so called schedules of warranties, purporting to be statements made by the insured at the time of the application, but in reality filled in by the agent, and to the truth of which the insured is bound by the terms of the policy on its being accepted and paid for by him. The two departments have ruled that this practice must be stopped; that schedules of warranties will no longer be permitted, and that, while casualty policies can be written without formal application, if there is a written application it must be signed by the insured. It is also suggested to the companies that the application forms be so phrased as to direct the attention of the insured specifically to the representations made therein. It has also been the custom of companies of this class to insert clauses in their policies to the effect that the issuance of a new policy on the same insured shall cancel every prior policy written by the same company. Inasmuch as the insured has by the terms of the old policy often acquired a vested interest in certain benefits that he could not get from the new policy, it has been thought wise to suggest the reversal of the rule. Hence the departments suggest that there be inserted in all new policies written after January 1 next a clause to the effect that such policy shall be void in case the company already has a policy on the insured, unless the new policy contains an indorsement to the effect that the prior policy may be continued in force. The time in which to file the 1911 policy forms has been extended to October 15.

The *Agents' Record*, of the United States Health and Accident, says that the Massachusetts cost of living commission has recently reported that the average Massachusetts family with an income of $737 a year spends 17 per cent. for rent, 5 per cent. for fuel, 1 per cent. for light, 13 per cent. for clothing, 18 per cent. for miscellaneous purposes, and 46 per cent. for food. **Almost half of the income,** it will be noticed, **goes for food.** When a man is down and out on account of some accident or illness, the food problem requires that at least half of the regular income be paid by him. The necessity for a good accident and health policy is clearly shown by this report. A man thirty-five years old can take his chance on life insurance to a degree, for he has an even chance of living about thirty-two years more, but the chances are that within a short time he will be disabled by some accident or illness which will lay him up for some indefinite period, varying from a day or two to a year or two. With that necessary 46 per cent. for food in mind, it seems that the sale of accident and health insurance in Massachusetts has a tremendously strong argument in its favor.

Applications to organize the following **new national banks** have been approved by the Comptroller of the Currency:

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The California National Bank of Santa Ana, Cal., capital $100,000; the Clymer National Bank, Clymer, Pa., capital $25,000; the First National Bank of Milliken, Col., capital $25,000; the First National Bank of Bartonville, Ill., capital $25,000, and the People's National Bank of Washington, Pa., capital $100,000. Certificates were issued authorizing the Farmers National Bank of Crystal Lake, Ia., capital $25,000; the Olney National Bank of Hartford, Mich., capital $25,000, to begin business.

The *Chronicle*, of Montreal, says that the **Travelers of Hartford** has entered suit in the Superior Court for $50,000 against the Travellers Life Assurance Company of Canada on the ground that similarity of name will cause damage and confusion to its business. Some months ago the American company sought by a petition for an interlocutory injunction to have the Canadian company restrained from doing business under the named adopted by it, but Mr. Justice Lafontaine dismissed the petition, and his ruling will come up before the Court of Appeal during the present term.

The effort to increase the capital stock of the **Enterprise Casualty** of Philadelphia from $100,000 to $1,000,000 failed Thursday on account of less than a majority of the stockholders being represented. It is planned to try again next Thursday. The committee hopes that with the increased capital an effective merger with the Philadelphia Casualty may be brought about, and thus save more per share than will be possible by liquidation.

The representatives of ten **Southern casualty companies** met at Mobile this week and effected the temporary organization of an association for mutual benefit. H. D. Huffoler, of Chattanooga, was appointed chairman of a committee which he is to name, with power to draft a constitution and bylaws. The association will work toward the development of Southern casualty business.

The **Pacific Surety** has given notice that it intends to cancel off the bonds written for a construction company recently awarded a contract to construct a sea wall near Oakland, Cal. Failure to start the work is believed to have voided the portion of the bond covering materials, but the $25,000 to guarantee the contract price is thought to be binding upon the surety company.

A special meeting of directors of the **People's Surety** was held Thursday, at which J. H. McCooey was elected president to succeed J. H. Sell, recently resigned. Mr. McCooey was formerly assistant postmaster at Brooklyn, and later deputy comptroller under Comptroller Metz. His acquisition as executive will be a valuable one for the People's.

Bonding companies are **advising their agents to solicit candidates** who will apparently win in the coming elections, and who will need bonds if successful. Where success is uncertain the agents are advised to solict both candidates for applications, destroying later, of course, the application of the defeated one.

The new New York liability law **wins the first case in court,** a Buffalo Supreme Court justice having declared it to be constitutional in a suit brought by a railroad switchman to recover for four weeks' indemnity.

It is stated that a casualty company from the Coast recently admitted in New York State is **offering to take liability lines** at about half the new manual rates now in force. No rate war is anticipated, however.

"Wives often, but **widows never oppose insurance"** is the trite saying adorning the first page of the current issue of the *Agents' Record*, published by the United States Health and Accident of Saginaw, Mich.

The **Texas Fidelity and Bonding Company** of Waco has appointed J. S. Armstrong, formerly general agent of the National Surety at Dallas, as general manager.

Still **another new schedule** for automobile rates **at Chicago** is being prepared in the hope that it will be one acceptable to both the stock companies and Lloyds.

The **Transylvania Casualty Company,** previously mentioned as organizing, has filed its articles of incorporation at Cincinnati. It is capitalized at $300,000.

Official Reports.

New York Miscellaneous Insurance Report.

The Superintendnet of Insurance has made public Volume III of the annual department report, covering the business of casualty, fidelity and surety, credit, real estate title and mortgage guarantee companies for the year ending December 31, 1909.

This report carries the audited statement of these companies and accompanying statistical tables, fixing the valuation of their stock and bond holdings in accordance with the allowed appraisal of the department, as arrived at by its expert, thus placing the valuations of said holdings on a uniform basis. In auditing these statements the department has gone into great detail as to the valuation and allowance of any items claimed therein as salvages.

This report indicates that the department's audit of the companies' statements has, in many instances, materially changed the figures as published in the preliminary tables issued in pamphlet form by the department in April last, when for the early information of the public the returns of the companies were published without audit.

The general summary of the report is shown by a comparison of the results of the business of 1908 and 1909. This comparison, tabulated, is as follows:

	1908.	1909.
Number of companies	50	54
Assets	$105,742,452	$117,818,570
Unearned premiums	$30,986,683	$34,970,472
All other liabilities	23,463,524	27,078,997
Total liabilities	$54,450,207	$62,049,469
Capital stock	$24,981,000	$26,179,225
Surplus	26,311,245	29,589,876
Premiums	$65,034,589	$84,118,227
Other income	6,556,283	6,826,797
Total income	$71,590,872	$90,945,024
Claims paid	$24,737,649	$26,422,262
Dividends to stockholders	2,302,074	3,005,066
Expenses	38,465,397	42,064,386
Total disbursements	$65,505,120	$71,491,714

Four general casualty insurance companies of other States were authorized by the department during 1909 and the license of one was revoked.

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NATIONAL CONVENTION OF INSURANCE COMMISSIONERS.

Forty-first Annual Session at Mobile, Ala., This Week.

(Special Report.)

MOBILE, Ala., September 30.—The forty-first annual convention of the National Convention of Insurance Commissioners was called to order in the auditorium of the Battle House at 10:30 o'clock Tuesday morning by President Hartigan. In the absence of the Acting Governor, Hon. R. B. Gray, the convention was welcomed to the State by the Hon. W. G. Gelt, a former Governor of the State. Mr. W. P. K. Wilson, on behalf of the Commercial Club and the boards of local underwriters, welcomed them to the city of Mobile.

Hon. Eugene J. McGivney responded interestingly and wittily to both welcomes.

On the call of the roll by Secretary H. R. Cunningham the following States were found to be represented:

Alabama—Frank N. Julian, A. C. Sexton.
California—E. C. Cooper.
Connecticut—T. H. Macdonald, H. P. Hammond.
Florida—W. V. Knott.
Iowa—J. L. Bleakly.
Illinois—Fred W. Potter, Geo. Graham, Jr., O. B. Ryon.
Louisiana—E. J. McGivney.
Maine—Beecher Putnam.
Maryland—E. R. Green.
Massachusetts—F. H. Hardison.
Michigan—J. V. Barry.
Minnesota—J. A. Hartigan, Chas. W. Farnham.
Missouri—A. L. Reeves.
Mississippi—T. M. Henry.
Montana—H. R. Cunningham.
New Hampshire—Geo. H. Adams.
New Mexico—Jacobo Chavez, P. M. A. Lienau.
New York—H. D. Appleton, N. B. Hadley, Chas. Hughes.
North Carolina—J. R. Young.
Ohio—C. C. Lemert, E. E. Stillwell.
Oklahoma—Milas Lasater.
Pennsylvania—S. W. McCulloch, Robert E. Forster.
Rhode Island—Felix Hebert.
South Carolina—Fitz Hugh McMaster.
Tennessee—Reau E. Folk.
Texas—R. C. Burton.
Virginia—Joseph Button, I. Davenport.
West Virginia—J. S. Darst.
Wisconsin—G. E. Beedle, L. A. Anderson.
Washington—J. H. Schively.

A number of ex-commissioners were also present, including F. H. Betts, of Connecticut; W. H. Prewitt, of Kentucky; A. I. Vorys, of Ohio; T. B. Love, of Texas; W. Q. Cole, of Mississippi; Myron Wolf, of California, and E. B. Craig, of Tennessee. Among the visitors were Franklin J. Moore, of Philadelphia; Wilmer L. Moore, of Atlanta; William H. Moore, Robert L. Cox, J. J. Brinkerhoff, W. H. Thummel, Robert McCurdy, W. M. Tomlins, Jr., and J. F. Roche, of New York; Chauncey S. S. Miller, of Chicago; Lloyd Damon, of Montgomery, Ala.; William Bro Smith, of Hartford; N. H. Craig, of Nashville, and W. H. Davis, of Los Angeles.

PRESIDENT'S ADDRESS.

President Hartigan's address was as follows:

We are assembled in our forty-first annual convention to review the work of the past and to take counsel together as to the future; to hear the reports of our committees, who have labored diligently during the year on the matters submitted to them; to act on these reports and to consider legislative enactments and departmental policies that may best protect the interests of our clients—the people.

State regulation of insurance is a growth constantly changing, constantly advancing to keep pace with the increase and development of the business supervised. New problems are forcing themselves on our attention and old ones are more insistently demanding a solution. As the business grows in complexity and concerns an increasingly greater number of people, the need of regulation increases and the State in the exercise of its police power will legislate for the protection of the general public against the inclination of the individual to transact his affairs as in his judgment is best calculated to further his own interests. The department, knowing the views of the policyholders and of the companies, should recommend for enactment such laws as are necessary. Enforcement of the law is an important function of a department, but one fully as important is that of keeping the law up to present requirements. In general, a legislature will listen to departmental advice and act upon it, and this is particularly true if the legislation that is recommended is indorsed by a body such as this.

This convention represents the greatest effective power for the regulation and control of the insurance business, and its efficiency depends largely upon the fact that it is composed of practically all supervising officers of the different States, and that these officers work together toward the same end. Its strength depends upon the degree of co-operation existing between the different departments. Any one commissioner acting alone is powerless to correct all the evil conditions that affect the people of his own State. With very few exceptions, the insurance commissioner supervising perfectly the companies directly under his jurisdiction, supervises but a small portion of the business. Each department must, therefore, depend upon the work of the other departments to supplement its own. In Minnesota, for instance, only 5 per cent. of the insurance business is written by companies having their home offices in that State.

EFFECTIVE SUPERVISION

means co-operation of all the departments to secure the same end. This co-operation is being rapidly secured through the National Convention of Insurance Commissioners. Before there can be co-operation in administration there must be unity of opinion and uniformity of requirement. Unity of opinion can only come from full and free discussion and a submission by all to the best judgment of the majority. Let a commissioner act ever so wisely, if he is not in harmony with the general plan of supervision his work will be largely obstructive. Apparently the best method of procedure is the one recently adopted—to refer important matters to committees, who discuss these matters at length with the interests to be affected, and are then in a position to recommend action that is sane, conservative and effective. The advance in State control of insurance, as I see it, is to come through a greater degree of co-operation between the different departments. If any commissioner has unusual or peculiar views on any subject they will be modified by the experience and criticism of the others. In the concensus of opinion must lie wisdom.

It is the fashion and custom in some quarters to criticise State supervision. It is said that some things have been done which have been unwise, which have unsettled business conditions and have restricted the action of the companies without corresponding benefits to the people.

Let us admit that legislation has sometimes been hasty and ill considered; that departments have occasionally looked at the merits of some particular case instead of taking the broad view necessary for the ultimate good of the business. Shall we judge of State supervision by these exceptional cases? Or shall we consider what it has accomplished as a whole, recognizing the general desire back of all these efforts to remedy defects and to correct faulty conditions? Mistakes have been made in the supervision and regulation of other activities; legislative enactments controlling other lines of business are not always perfect. Laws are enacted which, after a test, are found unsatisfactory and their repeal required. All legislation is a growth, and like other growths it must be pruned and trained before it reaches perfection.

Many of the vicious laws on our statue books are due solely to the activities of the insurance companies, who have selfishly sought to gain advantages over their competitors. Such are the

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retaliatory laws which can, I believe, in every instance be traced directly to the desires of the home companies for such laws.

Some problems have been solved; others are in process of solution; some remain untouched. Among the recent achievements is the standard provision law for life insurance policies; a similar law controlling the conditions of health and accident policies; an anti-rebate law applying to all forms of insurance; the taking over by the department of insolvent companies and associations, eliminating the exorbitant expenses of receiverships; and I expect, as a result of the work of one of our most efficient committees during the past year and the action of this convention, the general enactment of a law governing fraternal societies which will enable these associations to establish themselves firmly and fulfill not only the immense obligations which they have at present but those which they may hereafter assume.

STATE SUPERVISION GENERALLY EFFECTIVE.

State supervision and regulation of insurance are more effective than is Government regulation of any other line of business. Supervision of the banking business more nearly approaches it than does any other, and the attention of departments is often called to its perfection, and yet during the year 1908 the amount involved in bank failures in this country reached a total of $127,544,943, a sum vastly greater than that involved in the failures of insurance companies. No old line life insurance company, working continuously under legal reserve laws subject to the test of departmental reserve calculations, has failed in a generation. A short time ago a bank at Biddeford, Me., failed owing to losses and misrepresentations covering a period of twenty-five years, and these losses were not discovered through inspection but through the failure of the bank. These facts are not quoted as a criticism of bank supervision, but to show that it is not as efficient as is that of insurance. The solvency of a legal reserve life insurance company would be questioned by any live department years before it failed to pay its claims.

The State has for years required the life companies to charge adequate rates and thus guard against failures, receiverships and consequent loss to the public. The departments have urged the same course upon other classes of companies and societies, both by fostering legislation to that end and by constant public agitation of the subject.

Compare for an instant the record of the insurance companies with that of the railroads. Every receivership or reorganization of a railroad has resulted in the road emerging from such receivership with increased financial obligations. The stockholders have eventually profited by this course, as the public had to pay dividends upon the increased capitalization.

The reorganization of an insurance company results in a decrease of capital or an increase of surplus at the expense of the stockholders only. The only recent case where the reserves of a legal reserve life insurance company were impaired was corrected by the mere suspension of business upon the order of the department.

While the companies are hampered by the lack of uniformity in the insurance laws of the different States, there is not so great a diversity in these laws as in the laws covering other subjects for example, in the criminal law, the laws governing divorce, and, in fact, practically every other subject. But the diversity of the law is more noticeable in insurance on account of its being such an important factor of every day business. This convention has labored long and diligently to bring about practical uniformity, and what uniformity exists is due almost entirely to its efforts.

It is interesting to note that while some of the insurance problems are new, others are at least of a venerable age. Plutarch tells us that Crassus, an enterprising citizen of Rome, noting the frequent conflagrations in that thriving city, trained a large body of slaves, many of whom were builders and architects, to be expert fire fighters. When a fire broke out he bought the houses on fire, or in danger of destruction, and naturally did so very cheaply, as the owners at such times were ready to part with their property for little or nothing. Having bought the houses he set his fire fighters at work and put out the fire, so that in this manner the greater part of Rome, at one time or another, came into his hands. There was even at this time in Rome a combined police and fire department, but it was inefficient. Augustus remodeled this department and brought it to a high state of perfection, so that the fires were put out at the public expense. Thus did the Government even in those days interfere with private business enterprise and exercise its pernicious paternalism.

And Plutarch further tells us, although in that day there were no insurance offices, such munificent donations were made for the relief of the sufferers that suspicion often arose of the owners having set fire to their own homes. It is generally admitted that one purpose of a department is

TO PROTECT THE POLICYHOLDERS

of the State, and it has been argued that this protection should go only so far as to determine the solvency of the undertaking company. If this be the sole function of a department it has little excuse for existing. Policyholders must be protected and be protected in all their rights. If a just claim is not paid it matters little to the claimant whether it be on account of the insolvency of a company or on account of the misleading contract of a solvent company.

The insurance companies need the department to protect them against the competition of fraudulent and dishonest competitors, and sometimes from the fatuity of their own acts, and to uphold the general reputation of the business. We have recently had an example of a class of companies admitting that conditions are bad but that they are unable to correct them, and practically appealing for legislation to accomplish what they are unable to perform. A comparison of the present status of the surety companies with that of two years ago shows the efficacy of departmental action in securing results beneficial to the companies and beyond their attainment through their own unaided efforts.

The State should not do for the individual what he can, under ordinary circumstances and with reasonable effort, do for himself, but it should do for him the necessary thing that he is unable to do for himself or able to do only at a great loss of time, effort or property.

Every form of government is necessarily paternalistic, our form least of all, but still exercising widely its police power for the general welfare; and the results of this paternalism are held up to the admiration of the world. At public expense and under State or municipal direction we take care of the insane in our asylums, of the sick in our hospitals, of the defective in our institutions for the blind, for the deaf mutes and for those mentally deficient. Parks are maintained at public expense for the pleasure of the people; museums and art galleries for their amusement and instruction. The Government protects the depositor in the national or State bank; it insists that the citizen educate his children; it takes elaborate precautions to make sure that his food is not adulterated, and it even forbids him to buy certain drinks, even though they may not be adulterated. What reason is there that he should be left to his own unaided efforts to secure protection and his appeal to the State be met with the question: "Am I my brother's keeper?" State supervision of insurance has come on account of a demand from the people

TO CORRECT ABUSES.

Its power and scope have been extended for the same reason. To what extent it will ultimately go depends on the attitude and the management of the insurance companies. It will not go, as a whole, further than is needed. Some view the advance with apprehension, exclaiming that it is now approaching Government insurance. It may more closely approach that goal and it may even reach it. If under Government insurance the people will be more fully protected and at a lower cost, then the public need not view the situation with alarm. The things that are working most strongly now for Government insurance are the improper business methods of some insurance companies—high expense ratio and a feeling that the public is not in all cases receiving an equivalent for the sums paid in premiums. The sure avoidance of excessive paternalism in insurance lies in the companies doing more for the individual than the State can do. The constantly increasing and varying needs of the public for insurance must be supplied, and supplied on the basis of a reasonable element for expense. When competition increases the benefits and lowers the cost it is welcome; when it increases the cost only it should be restricted.

The increase of supervisory functions demands larger and more perfectly organized departments. The insurance department should in no case be the football of opposing political parties. Public service demands permanency which can be secured only by placing the departments under civil service regulations. It is proper that insurance companies should pay for supervision, but it is not proper that they should pay for supervision that is nonexistent. The companies and the public have suffered more from lack of supervision than from over-supervision. As the department demands that upon the part of the companies there be honesty and efficiency, the public and the companies have the right to demand from the State in supervision honesty, intelligence and fair treatment. As publicity is the most trenchant weapon in combating an evil, it should be used by both departments and companies in correcting conditions detrimental to the public good. There is little danger of too much supervision of the right kind.

In the general field of insurance two powerful agencies are at work to better conditions. The first is the departments repre-

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sented in this convention; the second is the different associations of insurance companies, each working in its particular field. Companies in the same line of business are learning the value, the necessity even, of co-operation; the departments are learning the same lesson. Each will in turn learn the greater value of co-operation between departments and companies. Neither insurance commissioners nor company officials are more or less than human. Each does his duty as he sees it, but the point of view is often different. Let each concede to the other honesty of purpose and many of the most vexing problems will yield to this alchemy of mutual confidence.

The reports of the committees being then called for, the first was the report of the executive committee.

REPORT OF EXECUTIVE COMMITTEE.

The report of the executive committee recited the history of the various meetings of the year, the arrangements for the 1910 convention, the instructions to the committee on blanks to make only minor changes this year, mentioned the causes leading up to the determination to make general examination of all companies as told of by the committee on examinations, and spoke of other matters as follows:

Pursuant to the action of the Colorado Springs convention and the notice then given, the executive committee proposes for adoption by this convention the following, in lieu of present Article 8:

Article 8. This convention shall be governed by the ordinary rules of parliamentary practice. One or more of the sessions of each convention shall be executive, and shall be so announced in the program.

In anticipation of the adoption of this resolution, and in accord with the sentiment expressed at the Colorado Springs convention, the executive committee, at its meeting in June, 1910, voted that the sessions on the third and fourth days of the present convention, i. e., on September 29 and 30, be executive sessions.

At the December, 1909, meeting action was taken, with the result that the various commissioners were urged to secure the passage in their States of (1) the so-called uniform bill regulating policies insuring against accidental bodily injury or disease, and (2) the so-called liquidation bill now in force in New York.

RECOMMENDATIONS.

It is respectfully recommended:

1. That, hereafter, the executive committee have periodical meetings as often as once every three months, and, if possible, once every two months; that other committee meetings be called for the same time and place, and, that, so far as possible, all commissioners present attend the meetings of the executive committee.

2. That the commissioners of the States whose legislatures did not meet in 1910 be respectfully urged to secure the adoption by their legislatures in 1911 of the so-called health and accident policy provisions bill, which is now a law in New York and Massachusetts and substantially so in Minnesota.

3. That there be adopted in all the States a law similar to the amendment of Section 39 of the New York insurance law, adopted by the last Legislature of that State, giving full power to the insurance department of such State to examine into and report upon all companies "organized under any law of such State, or having an office in such State, which corporation is engaged in or is claiming or advertising that it is engaged in organizing or receiving subscriptions for or disposing of the stock of, or in any manner aiding or taking part in the formation or business of an insurance corporation or corporations, or which is holding the capital stock of one or more insurance corporations for the purpose of controlling the management thereof as voting trustee or otherwise."

4. That the previous recommendations of this report be adopted by this convention.

In addition to the changes in the personnel of the convention, due to various causes, the executive committee here notes with deep regret the sudden death of Commissioner Thomas E. Drake of the District of Columbia. Commissioner Drake, as the head of the only Federal insurance department in the country, was well known to every member of this convention. An insurance man before he became an insurance official, he brought to his office an experience that was very valuable. Assiduous in his attendance on our annual conventions and in the work of the various committees on which he served, he did much that was of common benefit, and his death leaves vacant a place in our ranks that will be difficult to fill.

Chairman Lemert, of the committee on laws and legislation, stated that he had nothing special to report, as only one meeting of the committee had been held during the year.

First Deputy Superintendent H. D. Appleton, of New York, chairman of the committee on blanks, presented his report, as follows:

REPORT OF COMMITTEE ON BLANKS.

The report referred to the action of the executive committee in directing that no changes be made this year, and concludes:

This action of the executive committee, the acceptance by it and approval of the report of the committee on blanks dated June 8, apparently makes it unnecessary to present it to this convention for action by it—that is, a consideration in detail of the report of the committee dated June 8.

That there may be no question as to the convention statement blanks to be used for the year ending December 31, 1910, it is suggested that this convention by proper resolution affirm the act of the executive committee in giving its approval to the report of the committee on blanks bearing date June 8.

On motion this report was received and its recommendations were adopted.

The committee on mortality had no report to make, likewise the committees on assets of insurance companies, on unauthorized insurance, miscellaneous business and taxation. The roll call was, on motion, accepted as the report of the committee on credentials.

REPORT ON VALUATION OF SECURITIES.

The report of the committee on valuation of securities was read by Mr. Barry, as follows:

Pursuant to the action of the Colorado Springs convention, the undersigned were appointed a committee on the valuation of securities, and now submit their report.

Prior to 1910 the valuation of securities held by insurance companies had been obtained through the Massachusetts and New York departments, and copies of the lists furnished the other departments of the country. Inasmuch as this was done at a considerable expense to the two departments mentioned, it was thought proper to suggest that all departments benefited share in such expense.

Therefore, late in 1909, the committee sent a letter to the head of each department, asking him to contribute toward a fund for the purpose of defraying such expense, the New York and Massachusettts departments indicating that they would subscribe $3,500 and $1,500, respectively. Nearly all of the departments responded, many stating that they had no funds available for such a contribution, but twelve announcing their willingness to contribute in the sums hereinafter named.

In December, 1909, the committee made a contract with Marvyn Scudder, Esq., of the Investors Agency, 55 Wall street, New York—who had been the expert employed by the Armstrong Committee—to make the valuations required, the committee agreeing to pay him for such services in 1910 the sum of $5,000. Mr. Scudder prepared the lists, which were issued in printed form on January 22, 1910, and copies were furnished to each commissioner. A supplemental list was issued on February 21, 1910, and copies thereof likewise sent to each department.

The following is a statement of account showing the subscriptions of the various States and the payments to Mr. Scudder and for printing the lists of securities above mentioned:

Disbursements—Marvyn Scudder, valuing securities, $5,000; J. B. Lyon, printing, $1,433.67; total, $6,433.67.

Receipts—Alabama, $50; Connecticut, $200; Illinois, $100; Maine, $50; Maryland, $100; Massachusetts, $1,500; New York, $3,558.67; North Carolina, $100; Ohio, $100; Oregon, $25; Pennsylvania, $350; Rhode Island, $100; South Carolina, $100; Tennessee, $100; total, $6,433.67.

RECOMMENDATIONS.

It is believed that the issue by this convention each year of printed lists giving the valuation of the securities held by insurance companies, and at such a time that the same may be availed of by such companies in the preparation of their annual reports, is a long step toward uniformity in valuation. It is thought, however, that a number of departments which do not now contribute to this fund will be willing so to do, either through special appropriation or out of general expense allowances, upon the importance of the subject and the completeness of the lists being brought to their attention.

For these reasons it is earnestly recommended that the committee on the valuation of securities be made a permanent, and

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not a special. committee, and that a list of securities such as was thus published under the auspices of the convention in 1910 be issued as early as possible in January of each year.

This report was referred to the committee on laws and legislation, after which adjournment was taken until afternoon.

On reassembling at 2:30 o'clock Commissioner Barry presented the report of the special committee appointed to investigate expense of fire insurance companies.

REPORT OF COMMITTEE ON EXPENSES.

Your special committee appointed to investigate the expenses of fire insurance companies beg leave to report that during the past year the members have given the subject much consideration. Your committee held two conferences in New York and one in Chicago. At two of these conferences a number of company representatives were present and imparted considerable information on the subject under investigation. Previous to these sessions of the committee a general invitation was extended to representatives of companies to be present and special invitations were extended to managers. representing so-called Union and Non-Union companies and companies covering the entire field and others operating only in restricted territory, the aim being to secure expressions from all classes of fire companies. These conferences were largely informal, no attempt being made to take testimony. The response of the companies to the several invitations was not as general as the committee hoped for.

In December, 1909, previous to these sessions of the committee, the chairman communicated with several hundred companies, requesting advices as to the rates of commission paid to local agents on various classifications of risks, such advices to show any variations in commissions on like classifications in various States, and also varying rates of commission paid, if any, on like classifications in different sections of the same State. The companies were also requested to give detailed information as to the transaction of business in any section of the country through general agents who are compensated by a commission on premiums and who in turn pay the local agents operating under them their commissions.

It is proper to say in this connection that the committee gave special attention to the

SUBJECT OF COMMISSIONS,

its understanding being that it was this phase of the expense element of the business it was particularly authorized to investigate, for the reason that commissions constitute more than 50 per cent. of the total expenses of the companies.

Responses were received from about 50 per cent. of the companies to which communications were addressed. These responses were in a general way of the same import and disclosed nothing not generally understood by the members of this convention. They set forth the familiar facts that in certain sections of the country graded commissions of 15, 20 and 25 per cent. are paid on differing classifications, that in certain other sections a flat commission of 15 per cent. on all classifications is paid, while in certain so-called excepted cities the commissions are higher than elsewhere and on preferred classifications run as high as 35 and in some instances 40 per cent. The greater expense of conducting the business and the activity of brokers are cited by the companies as justification for the higher commissions paid in the cities referred to.

Some companies reported that their general agencies were operated on a salary basis, the companies paying all cost of inspection, local agents' commissions, taxes, etc., while a large number stated that their general agents were compensated by overwriting commissions and a commission contingent on the profits of the business transacted in their respective jurisdictions. In the latter cases the general agents pay all local agents' commissions, taxes, cost of inspection, etc.

As a result of its investigation your committee is persuaded that during recent years the competition between companies has been more in the direction of increasing the volume of business written with consequent increased expenses than of lowering the cost to the insured. Your committee finds

NO JUSTIFICATION

for the varying conditions referred to. The cause is to be found in the existing system of compensating agents and brokers. In the judgment of your committee this system is grossly erroneous in that it unerringly makes for increased expenses and increased fire waste. Fire insurance is essentially a business of averages, and there is no sound business reason why a greater commission should be paid for one class of risks than for another, nor why one class should be preferred to another class.

A feature of the business for which your committee can find no reasonable excuse is that the compensation of brokers who are employed by and render service only to the property owner is paid by the insurance companies from whom they seek indemnity required by their clients. Your committee is of the opinion that these services should be paid for by those for whose benefit they are rendered.

This feature is but one of the indefensible conditions which make for increased expenses, and is another evidence that the companies are competing for volume of business by outbidding each other in the price paid therefor.

The conditions disclosed by the investigation include another incongruous feature. This is that the expense of procuring business is greater in cities where the demand for the indemnity the companies have for sale is in excess of the supply.

Your committee has no criticism to make of expenditures for inspection, building codes, expert advice bearing on construction, electrical equipment, etc., maintenance of laboratories or other agencies which make for conditions which must result in the reduction of fire waste. The public should and doubtless will indorse all expenditures intelligently made for these and kindred purposes.

Being of the opinion that the present system of compensating agents and brokers necessarily increases fire losses and the expense of conducting the business, and is the cause of conditions of which the insuring public justly complain, your committee believes that practically all of the unsatisfactory conditions which agitate the public and lead to unscientific and unavailing legislation designed to reduce the expense of conducting the business, and consequently the cost of fire insurance, can be eliminated by a radical change in methods.

CONTINGENT COMMISSIONS FAVORED.

We therefore recommend the substitution by uniform company action, if possible, but if not possible, then by statute, a system by which local agents shall be compensated by a flat commission and a commission contingent upon the profits of their respective agencies, the rate of flat and contingent condition to be uniform throughout the country. Brokers representing the assured to be compensated by the persons, firms or corporations by whom they are employed and in whose interests they work.

Being interested in the profits of the business, the great body of agents would be transformed into an army of inspectors and moved to co-operate in all movements designed to improve conditions and reduce fire waste. The greater the activities of the agent along these lines the greater would be his compensation and the greater the benefit to the general public through the lessening of fires.

Under the present system the greater the hazard the higher the rate, and consequently the larger the commission paid to the agent.

The injustice and lack of business sense involved in the payment of the same rates of commission to agents whose business is profitable and those whose business is unprofitable must be apparent to all.

This report was unanimously accepted.

When Commissioner McMaster was introduced he prefaced his remarks with a number of humorous negro dialect stories which put the convention in good humor. He then read his address.

COMMISSIONER McMASTER ON UNIFORMITY IN DEPARTMENT RULINGS.

Commissioner McMaster, of South Carolina, read a paper on "Uniformity in Department Rulings and How to Obtain the Same." He gave as a definition, for present purposes, "a department ruling is a declaration by an insurance commissioner of a rule of conduct, founded on law." After discussing at length its foundations for authority and binding power, with felicitous quotations from the writings of learned commentators, the commissioner continued as follows:

Having determined the original source of power, and the means through which that power acts, let us consider specifically the office of Insurance Commissioner—of the executive branch of the Government. It has no legislative powers. It cannot make law. It has no judicial power. It cannot declare the law. Its powers are merely executive for the enforcing of the law. Its duties are ministerial strictly, or discretionary. Hold fast to the idea that it exists solely for the enforcement of the law, the law as is laid down in the statutes or declared by the courts. It is to follow the beaten path when that path is prescribed,. It is to devise a reasonable path when the path is not prescribed; but the goal to be reached in both cases is the enforcement of the law.

As usually the office has broad discretionary powers, so the

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rules it may make for the performance of its duties may be many, but paraphrasing the words of Chief Justice Marshall, "Let the end be legal, let it be within the scope of the laws applying to the insurance department, and all means which are appropriate, which are plainly adapted to that end, which are not prohibited, but consistent with the letter and spirit of the laws, are legal."

DISCRETIONARY AND MINISTERIAL.

A few words more as to the difference between ministerial and discretionary powers:

If the law be that the commissioner shall revoke the license of any company declared to be insolvent by a court of competent jurisdiction, he would be compelled to revoke the license upon certificate of such judgment, however, unjust he might think the judgment to be. That would be the exercise of a ministerial power. If the law be that he shall revoke the license of any company which he believes to be insolvent, after examination, the exercise of such power would be discretionary.

Should he refuse to exercise a ministerial power, he may be compelled to do so by writ of mandamus. Should he refuse within the law to exercise a discretionary power, he may not be compelled to do so. For the exercise of his discretionary power he is responsible to the people alone.

Sometimes this discretionary power is confused with judicial power. But there is a clear distinction. Discretionary power in an executive is not power to declare the law. It is encroachment on judicial power neither in form nor application. When the law is uncertain the judiciary decides what it is. Both judicial and executive officers have discretionary powers within their own provinces. The judge exercises discretion when he sentences a convicted prisoner to two years imprisonment, rather than to ten. An insurance commissioner exercises his discretion when he refuses to admit as valid assets bonds of a railroad to be built to the moon. In legal phraseology this discretion is:

"A science or understanding to discern between falsity and truth, between wrong and right, between shadow and substance, between equity and colorable glosses and pretenses, and not to do according to their wills and private affections."

The reason for this discretionary power is as strong today as it was four hundred years ago when Grotius wrote: "lex non exacte definit sed arbitrio boni viri permittit."

Hegel, in his admirable lectures on the "Philosophy of History," announces the doctrine: "States and laws are nothing else than religion manifesting itself in the relations in the actual world." He closes his argument with the conclusion: "It is now perceived that morality and justice in the State are also divine and commanded by God, and that in point of substance there is nothing higher or more sacred." It is proper to say that in the exercise of discretionary power there should be authority from the throne of God, so to speak, and the observance of those principles "binding over all the globe, in all countries and at all times, which alone live and endure."

UNIFORMITY IN DISCRETION.

Therefore it is plain that the principal object of this paper is to discover how there may be uniformity in the exercise of the discretionary powers lodged in the insurance commissioners. For there may be no uniformity in ministerial powers proper unless the laws be the same.

The greater need for uniformity becomes apparent when it is realized that, aside from all business considerations, these discretionary powers are founded on the moral law, and therefore that there can be but one right way, and while it may take great clearness of vision and refinement of distinction to determine what is right, there can be but one right, and all else is wrong, however worse some may be than others.

This applies to all such matters as forms of reports, methods of examination, and the general processes of dealing with companies and agents, where more than one department is involved. These may become fixed by official action of the proper committees and adoption by this convention. Even in those matters of a more particular nature, where the dealing is by a department direct with a company or its agents, a specified course will become recognized as reasonable and proper, and will soon have the effect of law, if it have the authority of this convention behind it.

This may be obtained by the publication of a code of procedure by this convention. This code may be first published, in a tentative way, as an appendix to the annual proceedings of this convention. As the first step in this direction all department rulings could be sifted by a committee, and such as were uniform would form the basis of the code. Such as were not uniform, and could not be made such by agreement between departments and the committee, might be published with the committee recommendations. Subsequent action by this convention would determine the proper entry for the code. Departments might be requested to furnish the committee with proposed rulings, and to take advices therefrom, before the promulgation of rulings, if circumstances permitted. These would find their place in the code by proper process. These suggestions pertain only to those matters entirely within the discretion of the commissioners. How to obtain uniformity in those matters wherein the laws are different presents greater obstacles.

My antidote for differences in laws is to have as few laws as possible. Let these deal in general principles and avoid details. Enlarge the discretion of the commissioners as to details. I know that discretionary powers of commissioners are viewed with what amounts to almost alarm by company managers generally. The cause for this alarm will be lessened if not destroyed if a code of procedure be built up, and standards of practice established, by which an unreasonable and urneasoning official may be pilloried and controlled as he may be controlled by the courts.

I shall not attempt to deal with the matter in greater detail. The executive committee, or a special code committee, will be better able to do this. The object sought if found will prove a great boon to the great interests affected by the insurance commissioners. It will save many well intending commissioners from adopting many vagaries.

At this point adjournment was taken until Wednesday morning.

WEDNESDAY'S PROCEEDINGS.

The second day's session was called to order by President Hartigan at 10:30 o'clock with a full attendance of delegates. A letter was read from Commissioner William L. Clayton, of Colorado, stating that his absence was occasioned by the death of his only child, and the secretary was directed to telegraph the sympathy of the convention. Mr. Cunningham also announced the probable fatal illness of Commissioner George B. Squires, of Utah, and the secretary was directed to send to him also a telegram of sympathy and sincere regrets of the convention. The vacancies on the standing committees were filled by the chair, after which Commissioner Button read the following:

Memorandum for the National Convention of Insurance Commissioners relative to the examination of the Shawnee Fire Insurance Company, of Topeka, Kansas:

Having received a preliminary report on the above company from S. H. Wolfe, examiner in charge of the investigation, and in view of the widespread interest and importance of the case to every member of this convention, we have decided to present a summary of the principal points developed by the examination in advance of the filing of the complete and official report. We find:

First—The annual statements filed by the company with various insurance departments for a number of years have been false in a number of important and vital particulars.

Second—On December 31, 1909, the company reported a surplus of about $200,000 in excess of its liability and capital stock. The examiner reports that on that date the entire capital stock and surplus were wiped out and that the company was insolvent to the extent of about $100,000.

Third—This false statement of conditions was accomplished by the deliberate forcing of balances and intentional falsification not only of the unearned premium account but also of the outstanding premiums.

Fourth—The company borrowed large sums of money on its notes issued by its officers without any record of the execution of these notes appearing upon the records, the only information which the accountant had of the existence of this indebtedness being an order from the vice president or the secretary, directing him to debit the account of the bank with a certain amount and to credit "bills payable" with the same amount. It is unnecessary to comment upon the dangers of this situation.

Fifth—Although Vice President Going's salary is definitely fixed by the board of directors the examiner reports that each month for a number of years the said Going's account has been credited with large sums of money and the only authorization which the accountant had for making these credits was an order signed by Going. Outside of a general resolution passed by the stockholders each year approving all of the acts of the officers for the preceding year, no approval of this disbursement has been found. Frequent demands were made by the examiner upon Mr. Going to furnish details of these credits, which were passed to his account, but only one month's credit was ever explained, this showing that about $3 had been repaid Going for traveling expenses to Kansas City, and $500 given to the State Fair.

(Continued on page 277.)

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The Weekly Underwriter:

MONTHLY FIRE INSURANCE SUPPLEMENT.

NEW YORK, OCTOBER 1, 1910.

THE TOBACCO INDUSTRY.

A Description of the Process of Drying Tobacco, and the Fire Hazards Attendant Thereto.

By I. G. Hoagland, with the South Eastern Underwriters' Association, Atlanta, Ga.

(Concluded from the September Supplement.)

TOBACCO DRYING AND DRYING APPARATUS.

Tobacco has to be thoroughly dried of its content of sap, gum, oils, etc., before it is in proper condition to keep without rotting when packed in hogsheads, etc. Today there are two general methods of drying—by air and by artificial heat. In past years all drying was atmospheric, and even today certain tobaccos cannot well be dried any other way. In the application of artificial heat there are various methods, but all in the nature of blower systems moving steam heated air, each method having its own peculiar modifications.

The period of greatest evolution in tobacco drying apparatus has been during the last ten years. Previous to that the leaf was dried in closed rooms heated by steam to a very high temperature, as high as 250 degrees Fahr. The leaf to be dried was hung or laid on trays on trucks. This method took about twelve hours and was accounted a great improvement over the old air drying method, which took six months. After drying was complete the rooms were opened and the leaf allowed to cool, then the rooms were closed and the leaf "ordered" for "striking" by humidifying the air with jets of steam. All this consumed two days.

When the advantages of blower fans for moving the drying air were understood, apparatus utilizing them was introduced. The early dry rooms of this type were somewhat similar to the present form of truck dry room, to be described later. Drying was completed in seven hours, and the complete operation, including cooling and ordering, in thirty-six hours, a saving of half a day over the older method. Also, this method did not require as high a temperature as the older method.

Next to follow in the way of improvements were the early forms of the now perfected type of drying and ordering machines, in which are completed the progressive operations of drying, cooling and "ordering." The introduction of this type took place a little over ten years ago, and its evolution has progressed through the experimental stages until we now have a highly perfected machine doing exact work.

The time of the complete operation of drying, cooling and ordering in the present day machine varies from fifty to eighty-five minutes. The temperature varies from 130 degrees to 210 degrees, both extremes; the usual average is 165 degrees to 190 degrees.

Tobacco drying apparatus of the present day can be divided into two classes: "conveyor" machines, through which the leaf is conveyed, while being dried, cooled and ordered, laid on a wire apron or hung in sticks supported on chain gear; and "truck" dry rooms, into which are wheeled trucks loaded with leaf, and which remain stationary until drying or "ordering" is complete. Aside from this classification are the rotary and reel types.

CONVEYOR MACHINES.

"Conveyor" machines are of two kinds: interior and exterior circulation. In the interior circulation machines the air is heated and circulated within them. With exterior circulation machines the air is heated outside and blown in by one fan and exhausted by another.

In that the "Proctor" machine of the Philadelphia Textile Machinery Company occupies the market practically to the exclusion of other makes, it will suffice to describe it. The characteristic feature of this machine is that the steam radiators are at the sides of machines instead of overhead, as in others. Also another feature is the compartmental subdivision of drying and ordering sections. In general these machines consist of an enclosure, which contains everything; the apparatus for drying, cooling and "ordering," which consists of steam heating coils and fans (vertical or horizontal) for moving air, and atomizers for humidifying the air in the "ordering" section; and the conveying apparatus, either an apron, chain stick gear, or both.

There are three varieties of "Proctor" machines: the apron, the stick, and the combination stick and apron. The apron machine is adapted for drying leaf, strips, scrap and "dipped filler"; the tobacco is spread out on the apron. The stick machine is limited to drying leaf in the "bundle" or "hand." In this machine a chain gear carries the tobacco (straddled on sticks) through the machine. The combination stick and apron machine is the most popular, as it is a combination of the other two.

ENCLOSURES.

Enclosures are generally of wood, though in the last two years some new "Proctor" machines have been built with all steel drying sections. They are built of stout frames of timber or steel and paneled with removable sections of matched boarding or sheet metal. Sizes of enclosures vary much in length, but little in width and height. The length varies from 30 feet to nearly 200 feet; the width from 10 to 18 feet, height from 8 to 10 feet in ordinary machines, to 16 feet in drying ends of special multi-apron machines.

The enclosures are divided into three sections: drying, cooling and "ordering." Drying and ordering sections are further subdivided: drying sections into two to five or more compartments, and "ordering" sections into two or three. These sections and compartments are separated one from another by wooden partitions in which there are openings just large enough to allow the passage of tobacco.

Cross sectional divisions of enclosures arranged for *horizontal fans* are as follows: A broad vertical central section not reaching roof of enclosure, through which passes the conveyor apparatus; one or two other, and narrower, vertical sections reaching roof of enclosure at one or both sides of central section, which contain steam coils in drying section, act as air ducts in cooling section and as spray chambers in ordering section; and one lateral section above broad vertical central section containing conveyor apparatus, and under roof of enclosure which is the air circulating chamber. The horizontal partition dividing these sections is known as the "fan-deck" and in suitably arranged openings in this deck the circulating fans revolve. Openings are left in all of the dividing partitions for necessary circulation.

Machines using vertical fans are only different in cross sectional arrangement in that there is no fan-deck—the conveyor section being clear from roof to floor of enclosure—and that the fans are set in openings in one or both side walls of conveyor section.

Steam coils are arranged in the section or sections at one or both sides of conveyor section and supported independently of frame of machine. The coils are in oblong, angular banks, supported on an iron framework clear of woodwork.

Fans are generally straight blades of metal. Wooden blades were tried in old machines. Fans vary in size, speed and arrangement. Horizontal fans range from 5 to 12 feet in diameter. The larger ones make 100 to 125 r. p. m.; smaller fans revolve faster. Vertical fans are from 3 to 5 feet in diameter, and the small ones revolve as high as 1,000 times a minute; a 50 inch fan averages about 500, and a 60 inch 250 r. p. m.

LUBRICATION OF BEARINGS.

Lubrication of bearings is an important matter in operating drying machines. Automatic devices for accomplishing the purpose have been found wanting. Manual application of viscuous greases has been found successful. Many machines with horizontal fans have gravity lubricators. These consist of glass oil cups outside enclose elevated above the bearings, and the oil flows thereto through small pipes. This method has been found faulty. Lubrication for fan bearings must be of high viscosity, and flowing

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slowly through the small pipe heated in the machine often cakes in and clogs the pipe.

Many machines are lubricated by filling bearing cups with a special grease through a hand hole in hub plate of fan, before the day's run. A few operators claim to have had some trouble with fan bearings getting caked with tobacco dust, as the bearings are not dustproof, but this is not general.

Vertical fan bearings inside dryer enclosures are lubricated with grease, which is more viscuous in the high heat than oil. Outside bearings are often of the ring oiling pattern.

Unquestionably all vertical fan bearings should be outside of machines. As regards the improved self-aligning ball bearing of horizontal fans it is a question whether or not the hazard warrants such modification of dryer enclosure as to have it outside. Certainly enough experience has been had with the improved self-aligning ball bearing for horizontal fans in the "Proctor" machines to justify the contention of the makers that there is nothing to be gained by distorting roof of dryer enclosure so that such bearings will be outside. This is opposed to theory, but in practice, since experiments justify it, the hazard can be considered remote.

CONVEYOR APPARATUS.

Conveyor apparatus consists of a wire mesh apron on chain stick gear or both. Aprons are of wire, about one-quarter inch mesh, arranged as an endless belt throughout machines, passing over large wooden drums at ends of machine. These drums are power driven, thus giving motion to the apron. A notable improvement in aprons has been made in the "Proctor" machine. Instead of endless aprons passing over wooden drums, the aprons are now made in small oblong sections, jointed to one another, making apron continuous, and the complete apron is carried on an endless chain gear at sides similar to the stick gear. This improvement does away with the large end rolls and small supporting rolls throughout machines and allows of local repairs to apron. Speed of aprons is about 2 to 3 feet a minute, and sometimes faster, the speed varying with the kind of tobacco and the drying temperature. With average speed it would take about fifty minutes for the leaf to pass through a machine 140 feet long, and a machine of this length with a 12 foot apron would dry 2,500 pounds of tobacco an hour.

Special machines with two additional aprons in the drying section only, superimposed above the long apron, have been built particularly for drying "dipped filler" in plug factories. At first the compartmental division scheme, as in normal types, was attempted by dividing drying section laterally into two compartments, upper and lower, by means of a wooden deck under top of middle apron. This, however, has been found of little value and has been abandoned, and drying section is now one big compartment. This is a very good thing, as much scrap would collect on this lateral partition, and was difficult to remove, there being only several inches space between apron and deck. In this machine the "dipped filler" leaf is conveyed to top apron by an elevating belt, and is dropped from one apron to another and passes through the cooling and "ordering" sections in the long bottom apron. This arrangement of aprons triples the time of leaf in drying section.

Chain gear for carrying sticks runs over toothed wheels, power driven, and through wooden ways in the machine. In a wide machine, as for example, a combination machine with a 12 foot apron, the stick gear would be double, two sets of sticks, each five feet long, running in two sets of chain gear. These machines are termed double size.

The operation of a Proctor machine is as follows: As the leaf enters first compartment of drying section of a horizontal fan stick machine, it meets a blast of hot air, directed downward by fan above. Passing slowly through this blast much of the moisture in the leaf is carried off and the moisture laden air is exhausted from this first compartment by a special exhaust fan.

In the first drying compartment the temperature is about 165° Fahr., that in the second or other compartments before the last one is from 175° to 190° Fahr., and in the last drying compartment it is as low as 140° Fahr.

Having passed through the several compartments of the drying section, the leaf enters the cooling section where the heat in the leaf is absorbed before the "ordering" section is reached. Cooling is done by blowing a blast of air drawn through top of cooling section, which is left open, down upon the leaf. The heat laden air passes up in the side section or sections of machine and vents outside building through wooden flues.

Passing through the two or more compartments of the "ordering" section the leaf absorbs moisture from the atmosphere, which is humidified by steam and water sprays and kept in circulation by fans. Temperatures in this section vary between 110° and 120° Fahr.

In the old "Economy" or Mayo-Hysore machine the steam coils were located below the fan deck, between it and the apron. It imitated the "Proctor" machine in general features.

Exterior circulation machines, such as the "Perfection" and "Goodwyn" are similar in principle to interior circulation dryers, but different in cross section, there being only the conveyor section and no auxiliary top or side sections, the absence of steam pipes in the enclosure allowing of less width and height. The drying air is heated by inducing a draught through a nest of steam pipes and forcing it into machine with a blower fan. The moisture laden air is exhausted by another fan. Temperatures in these machines are generally lower than in interior circulation dryers.

TRUCK DRY ROOMS.

Truck dry rooms are also of two kinds, interior and exterior circulation. Those of the modern interior circulation type are used in conditioning cigar leaf. The "room" consists of an enclosure to contain tobacco to be dried and for confining the drying air; steam pipes for heating, and fans for circulating drying air. These enclosures are of matched boards on a wooden frame; dimensions, generally about 14 feet wide, 12 feet high and 39 feet long. The length varies in different rooms, but the other dimensions do not.

Inside, the room is divided laterally into an upper and a lower section throughout length of machine by a horizontal partition about 7 feet above floor. Between this and top of room is the section containing steam coils and fans and below it is the space in which is contained the trucks loaded with leaf to be dried. At sides of room there is a clearance of a couple of feet to permit circulation, also openings in aforesaid lateral partition.

The steam pipes extend throughout the length of room. The fans are set in openings in fan partition and are driven by shafts extended through wall of room. Fans each have one inside bearing, are about 3 feet in diameter and speed is about 400 r. p. m. Temperatures are about 150° to 160° Fahr. "Ordering" rooms are similar to drying rooms except there are no steam pipes.

Older forms of these rooms are variously modified, some wider than long, some with steam coils below fans, etc., but otherwise similar to the foregoing. These truck dry rooms are often home made and are built by the drying machinery manufacturers also, and given trade names of Cyclone, Hurricane, etc. A special form of room has been marketed under the name "Carter System."

Exterior circulation truck dry rooms, sometimes termed hot blast, forced draught, etc. are merely oblong enclosures of plain cross section into which extend perforated flues conveying heated air from outside steam coils and fan.

There are still in use, though happily but few, dry rooms in which there are no fans and the air heated by steam pipes at sides or on the floor. The temperatures are often very high. These rooms are termed "old style" dry rooms. They are.

Special form drying machines are of the Rotary and Reel types. The Adt "Perfection" dryer is the best known rotary machine. This dryer is a revolving cylinder of iron, to the inner side of which are fastened a number of rows of steam pipes which extend throughout length of machine parallel with its axis and act as paddles to stir up the tobacco to be dried. The cylinder revolves at a very slow speed, not more than 5 r. p. m. Steam feed and return pipes have a common stuffing box outside machine. A blower fan forcing a draught into feed end and venting out at discharge end of machine serves to remove moisture.

The reel dryer is also of the Adt make, and is used in drying plug tobacco. The enclosure in this type is similar to an elevator shaft and may extend through several stories. Tobacco to be dried is contained in shallow trays carried up and down on endless chains running slowly over toothed wheels at top and bottom of enclosure. Steam coils are at bottom and protected from falling leaf by a wire screen. Air intake is at bottom; a fan at top serves to exhaust moisture and promote circulation. In some old factories this form of dryer is heated by furnace heated flues.

Various kinds of small low temperature dryers abound in tobacco manufactories. They are not of enough consequence to warrant description here.

SNUFF DRYERS.

Snuff dryers or toasters are in a class by themselves. Prominent among these is the Adt new improved furnace dryer. This consists of a horizontally revolving iron cylinder, inside of which

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are four screw-shaped paddles attached to cylinder. The cylinder revolves in four bearing rings, which rest on rollers and is partially enclosed in a building of brick in which are the heating furnaces.

Another arrangement for snuff toasting observed by the writer consisted of a series of superposed trays enclosed in a brick room, heated by steam coils at bottom. The tobacco was shaken down from one tray to another by a slow oscillating motion.

HAZARDS OF FIRE IN TOBACCO DRYING APPARATUS.

The introduction of patent drying apparatus began about thirteen years ago. At that time drying was done in inert air in enclosed spaces or rooms highly heated by steam. Attending this method were many deplorable conditions.

The advantages of forced blast heating over the old method were first recommended to the tobacco industry by a prominent insurance company in 1898, and after drying machines were introduced an official of another insurance company said:

"With the introduction of artificial dryers we have a hazard in tobacco factories and warehouses fully equal to that of the average lumber dry kiln. What companies need to do is to watch the new hazard known as the patent dryer. It means a loss in nearly every case, unless proper safeguards, such as sprinklers and steam jets, are insisted upon. There is no such thing as air drying these days in the modern factory."

One underwriter proposes an innovation, another condemns it, and so it goes. In the light of experience, however, the latter will have to "take the count." The early days of drying machines were expensive days for insurance companies, but all because of the better chance the little match had than ever before, and not so much because of hazards of the machine. Experience has not fulfilled the melancholy prophecy of the aforesaid dissenting gentleman. And if, as this gentleman observed: *"There is no such thing as air drying these days in the modern factory,"* indicated a preference for the highly heated dirty dry rooms of former years, such would be opposed to the contention of others fully competent to pass on the matter.

Another underwriter even went so far as to question drying machines with fire protection devices in them. Such speculation was rife in those early days of the machine, but today rates on tobacco risks are not loaded with a charge for drying machines if they are properly installed and equipped with fire protection.

THE CHIEF CAUSE OF FIRES.

It may be safely and conservatively asserted that there is nothing specially hazardous in drying tobacco as far as the leaf and the machine are concerned. The great cause is *matches.* Fires occur from causes not definitely ascertained in many instances, but with regard to matches there has been much clear evidence.

Often it has been taken for granted that a hot bearing was the cause when other reasons failed, but few if any such theories were conclusive beyond considerable doubt. Quite often it has been definitely established that matches caused the fire. In the early part of 1908 three fires occurred in drying machines in Richmond, Va., in which "dipped filler" was being dried. Fires in "dipped filler" machines are rare, but in these cases the leaf was of a scrappy nature intended for plug cut smoking tobacco, and that matches in it were the cause was quite clearly established. "Dipped filler" intended for plug chewing being stemmed and handled before reaching drying machine, is supposed to be free of matches.

The possibility of a fire being caused by matches varies considerably according to the nature of the leaf and the method of drying. Leaf tobacco dried on sticks is immune. Leaf or "strips" dried on apron should be also, as the leaf has been handled in bundling, and the bundles or "bands" are shaken out usually before being laid on apron; and "dipped filler" should be free of matches, as previously described.

Particularly in drying scrap tobacco is there an ever present and positive match hazard. Scrap tobacco comprises the sweepings and trash of sales warehouses, prizeries and factories, and, besides matches, often contain rags, paper, etc. Tobacco men claim to condemn the practice of drying scrap in machines, but it is done just the same.

The sulphur match being inertly ignitible at 175° Fahr. will readily ignite in most any machine, especially if slightly rubbed on the apron. Parlor matches are inertly ignitible from 195° to 270° Fahr., but the heat in the dryer, if not high enough to fire them, would be enough to make these matches sensitive to the slightest friction. "Double dipped" matches might, and safety matches would, pass through the machine safely, but unfortunately these better grades are little used.

Drying stems is the most hazardous drying operation. Stems from various plants are handled at a central point and are apt to contain matches swept up with them, and then the stems burn very freely, containing, as they do, potassium nitrate.

Of sixty-three owners of tobacco drying machines interviewed by inspectors only twelve had any experience with fires, and seven of them claimed that the only fires they knew of had occurred when scrap was being dried.

Drying machine hazards can be briefly covered. Necessity for clearance from woodwork and freedom from accumulation of dust and scrap tobacco is well understood. They are more easily cared for when at sides of machine. Steam pipes between fans and aprons, as in the old Mayo-Hysore "Economy" dryer, are not desirable. They become very dirty and caked with dust and oil drips from fan bearings and are difficult to keep clean. As much as possible steam pipes should be screened to prevent scrap being blown on them. However, no case has ever been recorded where a hot steam pipe has set leaf afire.

Fan blades are generally of steel. A case is recorded where a loose fan blade struck sparks on the steel supporting beams and caused fire. This is an unusual case. Fan bearings have come in for much argument. Bearing troubles are rare nowadays. The old machines in which such troubles were experienced have long since been removed or reconstructed.

The self aligning ball bearing for horizontal fans should be safe enough inside the machine. However, it is best that all bearings should be outside dryer enclosure. Especially so with the bearings of high speed vertical fans. With average care bearings should give little trouble.

Exterior circulation machines, such as the "Moseley" and "Goodwyn" have the advantage over interior circulation dryers in that there are no steam pipes and fans within enclosure.

That the leaf came in contact with the steam pipe paddles in the Adt machine used to be regarded as a hazard, but it has not proven so. The Adt machine often causes a great deal of dust, but other than that there are no unsafe conditions except that the practice of insulating outside of machine with hair felt is poor practice.

Steam heated reel dryers cannot be considered as more than ordinarily hazardous, but where direct fire heater flues are used it is different. However, if the furnaces and flues are secure it should be safe enough, but the enclosures should be of brick and cut off from main building.

Snuff drying or toasting should be done in a separate section of fireproof construction cut off.

FIRE PROTECTION OF DRYING MACHINES.

Prevailing standards of fire protection in tobacco dryers, contemplate both automatic sprinklers and steam jets. Certain large tobacco manufacturers add outside hand hose. Various efforts of misdirected mechanical geniuses have been applied to the introduction of fanciful automatic devices in drying machines which are supposed to automatically open steam jets, shift a belt, blow a whistle, call out the fire brigade, etc., etc. The operation of automatic devices in drying machines is always indeterminate and inversely efficient as the releasing temperature of the device increases.

It is even so with automatic sprinklers, 286° heads generally being used and sprinklers with hard solder operate tardily. Oftentimes the intelligent use of a small stream of water will extinguish a fire long before a sprinkler could open. Then the fans blowing the air down would also retard the opening of sprinklers.

Steam jet protection is required throughout drying machines by some associations. One standard requires a three-quarter inch orifice "looking down," in each compartment; about 350 square feet to each jet is the maximum area allowed; the pipe to be raised 6 to 12 inches above floor. All openings to be in a 2 inch pipe controlled by an outside lever valve. There is no necessity for this protection in the cooling and ordering sections; in the former it cannot be confined and is wasted and is of no value in the ordering section.

Even in the drying section where automatic sprinklers are provided the necessity of steam jets can reasonably be questioned. An interesting side light on this is advanced by a person whose opinion is weighty. Quoting: *"One fire that did reach such proportions that the heads were operating nicely and had fire under control was made very much more serious from a loss standpoint by turning on live steam, with the result that every head in the machine, some ninety in all, was fused with the resultant water loss on all the tobacco on the belt. It developed after investigating the fire damage that the burning woodwork was well within the limits of the heads that were operating before steam was turned on."*

As the value of tobacco on the apron is often as high as 57 cents per square foot it is simple to figure what would have been the difference in loss if the steam jet had not been used.

SPRINKLER EQUIPMENT.

The desirability of equipping all wooden drying machines with automatic sprinklers cannot be questioned. The necessity for

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them in the new steel machine, properly arranged and equipped with hand hose, *is* open to question.

Sprinklers should be installed throughout above and below fan deck, in side sections and *at top* of ventilating flues. Heads should be spaced with regard to freedom from obstruction by construction members of machine and should be "staggered." The national standard scale of piping should be used. Area per head should not exceed 64 square feet per head. Heads should be upright if possible, but pendant position would give good results. Spacing on branch lines should not exceed 8 feet, and lines should not be over four feet from sides of dryer. Pipes should be carefully pitched to drain and all sprinklers controlled by one valve outside machine.

In old machines sprinklers were installed regardless. Pipe was cut into eight foot lengths, sprinkler lines made up and "stuck" in the machine. Little difference did it make where the heads were located. It is common to find heads in the cooling flues at the same level with the others in the machine, leaving the wooden flue above unprotected. Sprinklers should be carried up as high as possible in ventilating flues. Extra hard heads should not be installed in the cooling and ordering sections; 212° is hard enough.

HAND HOSE PROTECTION

has been found by experience to be a very efficient means of extinguishing fires. Short lines of linen hose installed at frequent intervals alongside machine makes it possible to play a stream in the machine very readily. And many fires are extinguished with such protection before hot enough to open hard solder sprinklers. To make this form of protection efficient ready access must be had to interior of machine. This is not possible in older machines which are often quite difficult of access.

Present day fire protection standards of different associations are little improved over what they were when the dryer question was little known. Invariably they consider deferred action only, and no provision is made for anticipated action, such as use of hand hose. In a tobacco risk there is no better fire alarm than the olfactory nerves. They are hours ahead of anything else, and in many risks if a fire was allowed to progress far enough to open sprinklers, some one would have to show cause why he should not look for another job.

Hand hose should be of approved linen, not over 1½ inches in diameter, and in lengths of 25 feet with small play pipes of brass with one-half inch nozzles; each length to be kept attached to a connection in a 2 inch riser and controlled by a gate valve. Supply pipe to hose risers to be of such size as to supply all effectively.

Cooling section flues is an important feature. These flues are generally of wood, and now-a-days, are vented outside the building, though there was a time when they vented inside building, which resulted, in one case, in spreading a fire occurring in a machine directly inside room.

It is best that these flues be of metal as in drying some kinds of leaf a fluffy fibre is given off, which collects inside wooden flues. This fibre is very combustible and the flues should be cleaned frequently. Flues should vent outside directly after leaving machine and not pass through floors or attics.

Drying machines should be located in a one story building especially adapted for the purpose. If this is not feasible and they have to be located in the main building, the first story or basement is the proper place. In plug factories "dipped filler" dryers are generally located in the top story. When machines are so located, they should be so arranged that water used to extinguish fires can be drained off without doing damage in the stories below. The lack of proper drainage has in several cases augmented a loss several hundred per cent.

Drainage arrangements should be such as to care for several inches of water and waste pipes should be of good size, 8 to 10 inches in diameter, and sufficient in number to carry off water and scrap without clogging. There is considerable scrap on the floor of a dryer which would soon clog up a small pipe. And the openings to waste pipes should have wide covers set above floor to prevent scrap from falling in. It would be best to locate waste openings at the side to further prevent this.

THE FIRE HAZARDS OF FLOUR MILLS.

Dust Explosions and Dust Collectors.

Flour and wheat dust when in a settled state are comparatively harmless, except that they aid in the clogging of shafting and heating of bearings, but when mixed with air in the proper proportions they become highly explosive. Of the two, wheat dust is the more dangerous when exposed to flames, especially if of a considerable age, as old dust seems to undergo a chemical change whereby it acquires explosive properties not possessed by new dust. It is certain that unless the dust from cleaning and milling machinery is carefully collected and disposed of a grave dust explosion hazard is engendered.

With the introduction of the roller process of milling, with its numerous machines for reductions, there came a great increase in flour dust. Purifying and aspirating machinery, distinguished by the employment of air in rapid motion, keeps vast quantities of fine dust constantly in suspension in the air. At first attempts were made to blow this dust into rooms provided for the purpose, but this process was more or less ineffectual, much dust escaping removal or finding its way back into the mill. When, after a time, a number of disastrous explosions had occurred in mills employing improved methods, it was discovered that fine flour dust was the cause. Efforts were at once made to replace dust rooms by some better device, these efforts resulting in the machine known as the dust collector. This machine has been so valuable in disposing of dust that dust explosions are no longer frequent in flour mills and elevators, and the air of the best equipped mills is so free from flying particles that the visitor to them is inevitably told that "the miller has to buy a white hat."

Two general types of dust collectors are found in flour mills and elevators, the tubular and the cyclone. Of these two types the tubular is the more commonly used in flour mills, the cyclone being best adapted to cleaning machinery found in elevators. The tubular type of dust collecter may be found in two forms: viz., stationary, or upright, and revolving. The revolving tubular dust collector is the one usually found in flour mills. It consists of a cylinder with inner and outer ribs, around which flannel is wound from one piece, so that when complete there is an air space the width of each rib between two flannel surfaces. The dust laden air is drawn into the machine by suction and out through the cloth, leaving the dust behind. The cylinder is revolved slowly, rib by rib, by a ratchet, and as each rib reaches a point directly over the centre of the bottom of the collector, it is tapped lightly by a knocker, which causes the dust to drop into a conveyor, which carries it away from the machine. A back draught or reverse current of air is applied to that portion of the cloth being cleaned, which facilitates the removal of the dust. Some revolving collectors instead of using knockers to shake the dust loose from the cloth employ a rotating cleaner, made of leather whippers or fingers, which move in and out of the spaces between the filtering pockets or ribs. The stationary tubular dust collector is generally suspended from the ceiling and operated on the same principle as the revolving tubular, the cloth tubes being cleaned either by means of a knocker or a traveling frame with cross strips running in either direction between the rows of tubes. The cyclone dust collector is composed of a conical casing with a dust outlet below and an air outlet above. The dust laden air is blown into the collector where it moves about in a vortical whirl, deflectors placed at certain angles overcoming a back pressure. The dust being heavier than air falls to the bottom of the cone while the air exhausts out at the top of the collector. Sometimes in large grain elevators a dust collecting system is installed to collect dust from the cleaning machines, the cyclone being placed on top of the boiler house, with discharge leading to boilers. This kind of an arrangement is hazardous unless provided with a swing damper cut-off, for when the fan stops sparks are drawn by a back pressure into the cyclone and through the pipes to the machines, where they may smoulder for hours before breaking into a flame.

Dust collectors are attached to cleaning machines, purifiers and sometimes to suctions from rolls and elevators. The dust from collectors connected to grain cleaners is usually discharged into the feed bins, but sometimes cyclone dust collectors gather the dust from the receiving separators and discharge it into the boilers as described above. The dust from collectors attached to purifiers is usually redressed and passed to low grade flour bins.

Skyscraper Fires.

A fire in the twenty-sixth story of the Singer Building, in New York, this week, demonstrated two or three things of interest to the fire underwriters. The fire was fortunately discovered in time so that its confinement to the suite in which it originated was not difficult. The prompt arrival of the firemen and their effective use of the hand extinguishers conquered the blaze after several thousand dollars damage had been done. It is doubtful whether a stream of water could have been raised through the standpipes to the height required without a loss of considerable time in getting up pressure. It will be readily seen then that the best safeguards against "aerial conflagrations" consist of eliminating large areas, and providing all openings with approved metal cut-offs, with windows of wired glass in metal frames, and a liberal supply of approved chemical hand extinguishers. The idea chiefly to be borne in mind is to confine the fire to the room in which it starts so that even if the room

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be burned out entirely the rest of the building will not be threatened. Of course the less inflammable material there is an office, the less will be the fire and consequent damage. Hence, the rapidly increasing use of metal furniture in skyscraper offices. Modern construction of high buildings is of superior quality, so that the dangers of a serious spreading fire are lessened, and the Singer Building fire may be considered as typical.

General Classification of Fire Losses in the United States, Amounting to $5,000 and Over, Reported in September.

Number of Fires.	Classification.	Reported Loss.
2	Furniture factories	$650,000
7	Sawmills	466,000
17	Dwellings	235,000
1	Department store	225,000
1	Harvesting machinery factory	200,000
5	Furniture warehouses	196,000
7	Lumber yards	183,000
20	Farm barns	165,500
6	Storage warehouses	155,000
1	Fish oil refinery	150,000
1	Flouring mill	150,000
4	Cabinetmakers	132,000
3	Grain elevators	111,500
1	Oil refinery	100,000
1	Jewelry factory	100,000
3	School and college buildings	88,000
2	Hardware stores	83,000
7	Hotels	82,000
2	Coal breakers	80,000
6	General stores	79,500
1	Plumbing establishment	75,000
1	Office building	75,000
1	Grocery warehouse	75,000
1	Fibre warehouse	75,000
1	Carriage factory	75,000
2	Box factories	75,000
2	Planing mills	70,000
3	Railway properties	67,000
1	Tannery	60,000
1	Tobacco warehouse	60,000
1	Housefurnishing store	60,000
4	Stables	55,000
6	Cotton gins	53,000
1	Pulley factory	50,000
1	Iron foundry	50,000
1	Car factory	50,000
3	Garages	45,300
2	Clothing stores	38,000
2	Harness and saddlery factories	35,000
1	Chemical works	35,000
1	Soap factory	30,000
3	Brick yards	30,000
1	Bath	30,000
2	Apartment houses and tenements	25,000
1	Spice mill	25,000
2	Meat packing plants	25,000
1	Theatre	22,000
1	Silk mill	20,000
1	Camp meeting buildings	20,000
1	Coal yard	15,000
1	Whiskey warehouse	15,000
1	United States bonded warehouse	10,000
1	Steel foundry	10,000
1	Paper mill	10,000
1	Light and power plant	10,000
1	Ice factory	10,000
1	Fur factory	10,000
1	Brewery	10,000
1	Furniture warehouse	9,000
1	Cooperage plant	9,000
1	Steamship	7,500
1	Canning factory	5,000
33	Spreading fires, with omnibus loss	1,861,000
9	Miscellaneous mercantile risks	72,600
2	Miscellaneous manufacturing risks	16,000
	Total	$7,121,900
	Add 15 per cent. for small and unreported fires	1,068,285
	Total	$8,190,185

Total number of fires reported, 203.

FIRE INSURANCE IN THE COURTS.

A Concise and Convenient Digest of the Law of Fire Insurance as It Is Being Developed and Interpreted by the Various Courts Throughout the United States.

Reported for the Weekly Underwriter by Woodhull Hay, of the New York Bar.

1. Appraisal—When Insurer Must Demand Same.

Within a week after the fire the adjuster and his assistant examined the premises. Two-thirds of the goods were totally destroyed. Within three weeks after the fire the insured filed his proof of loss. The policy provided that the loss was payable within sixty days after proof of loss, unless an appraisal be had in the meantime. The insurer demanded an appraisal fifty-five days after the proof of loss, but the insured refused to enter upon such appraisal and brought suit. The court held that the insurer did not have an absolute right to wait till the sixtieth day, but must demand an appraisal within a reasonable time, depending upon the facts. The court here held that the insurer's delay was palpably unreasonable.

2. Same—Effect of Bad Faith in Demanding Same, Stated.

Bad faith in demanding an appraisal either is a circumstance bearing on the question of a waiver by the insurer of its right to an appraisal, or of itself absolves the insured from his obligation to enter upon the same.

3. Same—What Questions Relative to Same Are for Court and What for Jury.

Where the substantial facts are not in dispute as to the reasonableness of the time of demand by the insurer, the question is one for the court. The question of good or bad faith should go to the jury.

Judgment against insured below, here reversed by the Appellate Term of the Supreme Court of New York.

LANGSTER VS. GERMAN ALLIANCE INSURANCE COMPANY,
67 New York Miscellaneous, 411. (July 30, 1910.)

1. Change of Interest—What Sale of Land Constitutes Same.

A policy contained a clause providing that it should be void "if the interest of insured be other than unconditional and sole ownership; or if the subject of insurance be a building on ground not owned by the insured in fee simple; or if any change * * take place in the interest, title or possession of the subject of insurance." The insured owned the fee of the land and also a storehouse theron. He insured the storehouse. Subsequently and without the consent of the insurer he sold in fee an undivided one-half interest in the land, reserving "full title to the storehouse now on said lot, with the right to remove the same without let or hindrance from" the grantee. The court held there was such a change of interest as avoided the policy.

Judgment against insured below, here affirmed by the Supreme Court of Georgia.

WATTS VS. PHENIX INSURANCE COMPANY,
68 Southeastern, 479. (July 30, 1910.)

1. Vacancy Permit—When Agent's Agreement to Renew Same Binds Insurer.

A policy contained the usual ten day vacancy clause. The agent of the insurer gave a vacancy permit for thirty days and agreed to renew every thirty days until notified to the contrary. The fire occurred after the premises had been vacant a little over thirty days. The court held that an agreement to renew bound the company as if the permit had been renewed.

2. Agency, Revocation of—Effect of Act of Agent When Revocation Unknown to Insured.

Agents of a company remain its agents with power to bind it as to vacancy permits, though the agency has been terminated, provided no knowledge of such termination has come to the insured.

3. Same—Same—What Constructive Notice Is Ineffectual.

Another company had reinsured the original company, and the vacancy permit was written by the agents of the reinsurer. These latter agents gave the permit to the agent of the old company and he delivered it to the agent of the insured. The insurer contended that this was constructive notice that the original agency had been terminated. The court held that constructive notice was not sufficient, but that actual notice was necessary.

Judgment against insured below, here reversed by the Supreme Court of Mississippi.

SUTHERLAND VS. FEDERAL INSURANCE COMPANY,
52 Southern, 689. (July 30, 1910.)

1. Charter of Corporation—How Effected by Precedent Statute.

Number 124 of the Acts of 1908 of Louisiana provides that when action is brought by the State to forfeit a corporation's charter, the court shall have jurisdiction of the company's property from the filing of the petition; that, pendente lite, the court may have the property sequestered, and that on rendering a decree of forfeiture, the court shall order the sequestration of the property and the delivery of it to a liquidator to be appointed by the Governor. The corporation in this case was organized on a later date, and its charter provided that on a dissolution thereof the stockholders might elect liquidators to manage the property. The court held that the statute was paramount and must necessarily be read into the charter.

2. Action of Forfeiture—How Affected by Voluntary Dissolution of Company as Regards Liquidators.

The State on the relation of the Attorney General commenced an action to forfeit the charter of the insurance company. Two

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days after the filing of the petition the stockholders met and voted to dissolve. At the same meeting they elected certain liquidators in accordance with their charter. The lower court decreed a foreclosure, but ordered the property turned over to the liquidators elected as above stated, and not to one selected by the Governor. The court held that this order of the lower court was error, because the statute was mandatory on the point.

3. Same—Same—Right of State to Appeal Declared.

The State appealed from the above order. The company denied the right of the State to appeal, on the ground of lack of interest. The court held the State had sufficient interest to appeal.

Motion to dismiss appeal denied by the Supreme Court of Louisiana.

STATE EX REL GUION vs. PEOPLE'S FIRE INSURANCE COMPANY,
52 Southern, 763. (July 30, 1910.)

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1. Cancellation of Policy—Construction of Clause Providing for Same—General Rule Stated.

Except by agreement or waiver, a policy of the standard form in Maine cannot be cancelled by the insurer until the expiration of ten days after written notice to the insured. The parties have a right to cancel a policy at once by mutual consent.

2. Same—Same—Purpose of Same Stated.

The obvious purpose of such a provision is to protect the insured from the possible results of immediate cancellation, and to allow him ample time in which to procure other insurance.

3. Same—Burden of Proving Mutual Consent to Same.

The burden of proving mutual consent to cancellation without the interval of ten days after notice rests on the insurer.

4. Waiver—Definition of.

A waiver is a voluntary relinquishment of some known right, benefit, or advantage, which, except for such waiver, the party would have enjoyed. It follows that there can be no waiver in pais without knowledge. A party cannot be deemed to waive by word or act a right which he does not know that he possesses.

Compare the definition of a statutory waiver given by the same court in the case of Mowry & Payson vs. Hanover Fire Insurance Company below.

5. Cancellation of Policy—What Ignorance of Ten Days' Period Rebuts Waiver of Such Period by Insured.

The agent on the afternoon of June 11, or the morning of June 12, received notice from the home office to cancel the policy of the insured. About 9 o'clock on the morning of June 12 he notified the insured of such cancellation and told him he had three hours to cover himself. Whereupon the insured bade the agent secure such other insurance. On the morning of the 13th of June and before such other insurance was procured, the fire occurred. On the afternoon of the day of the fire another agent told the insured he was entitled to ten days' notice of cancellation. The insured spoke of this to his own agent, who declared he "didn't realize it up to this time." The insured replied, "Nor I either." The court stated that both parties were laboring under a misapprehension of the facts and held that their words and conduct did not amount to a mutual agreement to cancel or to waive the ten days' period.

Judgment against insured below, here reversed by the Supreme Judicial Court of Maine.

ROSEN vs. GERMAN ALLIANCE INSURANCE COMPANY,
76 Atlantic, 688. (August 4, 1910.)

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1. Change of Title—What Knowledge by Company Waives Forfeiture by Reason of.

The insured died on February 14, 1900. His son was appointed administrator on March 19, 1900, and, while acting in that capacity, took out additional insurance on August 2, 1901. On April 5, 1904, the son's accounts were allowed. The children released all their interest in the personalty to their mother, and on April 12, 1904, a quit claim of all the realty was executed by the children in her favor. The company, which was a mutual company, knew all these facts and received assessments from the son or other members of the family regularly till September 1, 1907, when the fire occurred. The company then denied liability on the grounds that the estate of the insured had been closed and that the deed of the heirs to the widow constituted such a change of title as avoided the policy. The court pointed out that the company after full knowledge did not return or tender any assessments paid after the claimed forfeitures occurred till suit was brought, and therefore held that such retention amounted to a waiver.

Judgment for son of insured below, here affirmed by the Supreme Court of Michigan.

REIMOLD vs. FARMERS MUTUAL FIRE INSURANCE COMPANY,
127 Northwestern, 17. (August 5, 1910.)

1. Reformation of Policy—General Rules Stated.

Where by inadvertence or otherwise a policy of fire insurance is issued contrary to the intention of the parties thereto, a court of equity may reform the policy so as to make it express the real agreement and intention, and as so reformed may enforce the policy in order to do complete justice in the controversy. But the right to the reformation of an instrument is not absolute, but depends on an equitable showing.

2. Same—Example of.

The parties agreed that a policy should be issued to protect the insured "according to their respective interests." It was not so issued. The court held that the policy might be reformed so as to show the real interest of the parties, and that the policy so reformed might be enforced.

3. "Sole Ownership" Clause—Test of What Interest Is Not a Breach of, Stated.

To be "unconditional and sole" the interest of the insured must be completely vested, not contingent or conditional, nor in common or jointly with others, but of such nature that the insured must alone sustain the entire loss if the property is destroyed. Whether the title is legal or equitable is immaterial. The loss must fall not as a matter of mere contract obligation, but as a result of bona fide rights in the property insured.

4. Same—General Purpose of, Stated.

The purpose of the usual "sole ownership" clause is to give protection to only those upon whom the loss insured against would inevitably fall but for the insurance, and to avoid taking risks for those whose lack of interest or whose contingent interest might tend to encourage carelessness or wrongdoing in the use or preservation of the property.

5. Same—What Contract of Purchase Is Not a Breach of.

The insured without qualification had contracted to purchase a piece of property and the vendor had contracted similarly to sell it. The court held that the vendee was the "sole and unconditional" owner within the meaning of the usual "sole ownership" clause, because the vendor could compel the vendee to pay for the property and thus suffer any loss that occurred.

Judgment for insured below, here affirmed by the Supreme Court of Florida.

PHENIX INSURANCE COMPANY vs. HILLIARD,
52 Southern, 799. (August 6, 1910.)

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1. Waiver of Proof of Loss—Power of Agent—What Denial of All Liability by Agent Waives Such Proof.

The local agent denied all liability of loss after the fire. The court held that this amounted to a waiver of proof of loss and that the agent had power so to waive.

Judgment for insured below, here affirmed by the Supreme Court of Florida.

ÆTNA INSURANCE COMPANY vs. HOLMES,
52 Southern, 801. (August 6, 1910).

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1. Foreign Companies—What Revocation of License Does Not Revoke Designation of Agent to Receive Process.

The State Superintendent of Insurance had been designated, according to law, as the person upon whom process against the insurer, a company of Maryland, might be served in New York. Subsequently the superintendent revoked the license of the company to do business in the State. Before the company revoked the designation of the superintendent as an agent to receive process, a summons was served upon him against the company. The company maintained that the revocation of the license, of itself ended the designation to receive process. The court overruled this contention and held that the designation of the superintendent made him the agent of the company and that no act of his as a State officer could operate to revoke this personal designation.

Motion to set aside service of summons denied by the Supreme Court of New York.

KLEIN BROTHERS & CO. vs. GERMAN UNION FIRE INSURANCE COMPANY,
123 New York Supplement, 1082. (August 8, 1910.)

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1. Appraisal—General Rule of Same Stated.

A policy contained a clause providing that in case of disagreement as to the amount of the loss, the same should be determined by a board of appraisal composed of an appraiser appointed by each party and an umpire selected by the two appointees. It further provided that this board should "estimate and appraise the loss," and further that "the award in writing of any two shall determine the amount of such loss." The clause concluded by providing that no action should be brought on the policy until full compliance by the insured with its terms. The court held that this clause was binding on the parties and that in suing on

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the policy the insured must allege an award or a reasonable excuse for failure thereof.

2. Same—When Insured Has No Right to Impeach an Award.

Under such a policy an award was made, but the insured sued for a greater sum than was thereby determined. He sought to impeach the award because of alleged misconduct of the appraisers in excluding certain items of property in estimating the loss and because of incompetency. The court held that the insured could not impeach the award in this manner.

3. Same—Same—Remedy of Insured in Such Circumstances, Indicated.

In such circumstances the insured cannot recover unless he shows a second award or a request for such second award.

4. Same—Same—Other Defects in Declaration of Insured Pointed Out.

The declaration of the insured was defective in that it did not allege that the inadequacy of the award was due to the fault of the insurer or that the insurer knew the appraisers were incompetent.

5. Same—Extent of Appraisal Demanded by Such a Clause.

The clause above cited contemplates an ascertainment by the appraisers of the whole loss.

Judgment against insured below, here affirmed by the Supreme Court of Rhode Island.

EARLY VS. PROVIDENCE AND WASHINGTON INSURANCE COMPANY,

76 Atlantic, 753. (August 11, 1910.)

1. Statutory Waiver—When Knowledge Not an Essential Element.

A statutory waiver may be established without proof of actual intent to relinquish a known right.

Compare the definition of waiver given by the same court in the case of Rosen vs. German Alliance Insurance Company, above.

2. Statutory Construction—General Rules Stated.

An unambiguous statute cannot be enlarged by judicial construction. The practical operation and possible consequences may be taken into consideration.

3. Appraisal—What Declination by Appraiser to Serve Constitutes a Waiver of Same by Maine Statute.

Section 4 of Chapter 49 of the Revised St. of Maine as amended by Laws of 1905, Chapter 158, provides for arbitration on disagreement as to the amount of the loss. Each party is to choose an appraiser and the two appraisers are then to select an umpire. Section 5 provides that the insurer waives arbitration if it "shall not, within ten days after a written request to appoint referees * * name three men * * each of whom shall be * * willing to act as one of such referees." After the insurer had sent its list of three men to the insured, the one selected by said insured refused to serve. The court held that this was a waiver of the provision for arbitration.

4. Same—Same—Effect of Good Faith, Stated.

The fact that the insurer acted in good faith is immaterial.

Judgment against insured below, here reversed by the Supreme Judicial Court of Maine.

MOWRY & PAYSON VS. HANOVER FIRE INSURANCE COMPANY,

76 Atlantic, 875. (August 11, 1910.)

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1. Riders—When More Than One Provision May Be on One Rider Under Maine Statute.

Section 4 of Chapter 49 of Revised St. of Maine provides that an insurer may write or print "on separate slips or riders," to be attached to the policy, provisions adding to or modifying those contained in the standard form. The court held that the word "separate" meant independent of the policy, and not independent riders for each provision. Hence the court held that more than one such provision might be printed on one rider.

2. Same—How Liability May Be Limited Thereby.

The insurer filled the blank space in the standard form with the gross amount of insurance. In a rider it limited its liability to two-thirds of the actual destructible value of the property insured. The court upheld this provision.

3. Tender by Insurer—When Insufficient Tender Is Invalid.

The insurer tendered an amount 9 cents too small. The court held the tender invalid.

Judgment for insured by the Supreme Judicial Court of Maine.

ROLFE VS. PATRONS ANDROSCOGGIN MUTUAL FIRE INSURANCE COMPANY,

76 Atlantic, 879. (August 11, 1910.)

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1. Damages and Attorney's Fees—What Statute of Louisiana Imposing Same on Insurer Is Constitutional.

Act Number 168 of the Laws of 1908 of Louisiana provides that when insurance companies are unsuccessful in defending actions on policies, there shall be added to the sum found due on the policies 12 per cent. damages and attorney's fees. The court held that this statute did not arbitrarily discriminate against insurance companies and was constitutional.

2. Proof of Loss—What Statute of Louisiana Regarding Same Is Constitutional.

The said Act Number 168 provides that if the insurer fails to furnish the insured with blank proofs of loss on being notified of a loss, it thereby waives such proofs. The court held that this statute did not impair the object of a contract, for it dealt with remedies, and was therefore constitutional.

3. Remedies Under Policy—Rights of Parties to Contract Concerning Same, Stated.

When parties undertake to fix the remedies by which their rights and obligations are to be enforced, they do so subject to the paramount right of the State to determine the proper remedies which the general good demands. It is not competent for parties by contract to bind the hands of the State.

Judgment for insured below, here affirmed by the Supreme Court of Louisiana.

MONTELEONE VS. SEABOARD FIRE AND MARINE INSURANCE COMPANY,

52 Southern, 1032. (August 13, 1910.)

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1. Delivery of Policy—Necessity of Same.

A policy of insurance is not a valid obligation until delivered.

2. Same—What Delivery to Former Agent and Subsequent Withdrawal Do Not Effect Insurance.

A policy was to expire on May 15. A year previous to that time the agency of the agent who procured the insurance had been terminated. About May 6, without any request of insured, the erstwhile agent applied to the newly appointed agent for a policy continuing the old one and to commence on May 15. On reporting the insurance to the home office, the latter instructed the new agent to withdraw the policy, as the company had ceased to insure farm property, that being the kind insured previously in this case. The erstwhile agent, on being requested so to do, delivered back the policy on a day prior to May 15, when it was to have taken effect. The evidence tended to show that the ertswhile agent on May 13 had told the insured that the policy had been continued and that the new policy had been delivered to the mortgagee of the premises, that the insured did not know of the revocation of the agency and that he did not know of the withdrawal of the new policy. The insured contended that the company was estopped to deny that it had issued the new policy. The court held that the only way in which it could be said that the policy had been delivered at all was to assume that the erstwhile agent was the agent of the insured, and that if he was the agent of the insured to receive the policy, the insured was charged with the knowledge of said agent that the policy had been withdrawn and redelivered to the company before it became operative.

3. Same—Effect of Statement by Former Agent That Policy Was Delivered to Mortgagee, Stated.

If the erstwhile agent had been actually agent of the company, his statement that the policy had been delivered to the mortgagee would doubtless be deemed delivery, though no such delivery was had. But not in fact being such agent, his statement did not bind the company.

4. Withdrawal of Policy—When Insured Is Not Entitled to Notice of.

The court held that the insured was not entitled to notice of withdrawal of the policy from the hands of the erstwhile agent before it was to go into effect on May 15.

5. Same—Distinction Between Same and Cancellation.

The court held that in this case the company did not cancel the policy, for it had never been operative, and that thus the provisions in the policy requiring notice to the insured of cancellation were inapplicable.

Judgment for insured below, here reversed by the Appellate Division of the Supreme Court of New York.

WALRATH VS. HANOVER FIRE INSURANCE COMPANY,

124 New York Supplement, 54. (August 15, 1910.)

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1. Insurable Interest—Nature of Same in Mortgager and Mortgagee.

Both a mortgager and a mortgagee have insurable interests in the property mortgaged, and they may insure such interests in one policy or each may insure his own interest in a separate policy.

2. Action by Mortgager—When He May Not Recover Where the Mortgagee Insured Only His Separate Interest.

The owner of certain property brought an action against an insurance company and alleged that he had mortgaged the prop-

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erty to another who had procured insurance at his own expense covering "his mortgagee interest," that after the destruction of the premises the company had settled with the mortgagee for three-fourths of the total insurance, that in the mortgage there was a covenant that the mortgager should keep the premises insured and, in default thereof, that the mortgagee might "effect such insurance" and have a lien for the premium paid, and that, therefore, the insurance company owed him the balance, to wit, one-fourth of the amount of the policy. The court held that the declaration was bad in that there was no averment indicating any contractural relation between the owner and the company or stating that the insurance mentioned in the mortgage had been effected.

Judgment against owner by the Supreme Court of New Jersey.

LAWRENCE vs. UNION INSURANCE COMPANY,
76 Atlantic, 1053. (August 18, 1910.)

1. Action on Policy—What Allegations of Proportionate Liability Are Insufficient in Absence of Proof.

The insured alleged in his complaint that there was other insurance upon the goods and that the insurer's proportionate part of the loss was $463.64, which it had not paid. The insurer admitted not having paid the loss, but left the insured to prove the other allegations. On the trial the insured offered no evidence as to the amount of his loss and the proportionate part of it which the defendant was liable for, except a written adjustment of the loss signed by him and several of the companies but not by the defending insurer in this action. He offered no proof that this company was a party to this adjustment. The court held that the insured was properly nonsuited.

Judgment against insured below, here affirmed by the Supreme Court of Errors of Connecticut.

WEISSMAN vs. COUNTY FIRE INSURANCE COMPANY,
76 Atlantic, 1105. (August 18, 1910.)

1. Assessment Against Member of Mutual Company—How Far Same Is Adjudicated Against a Non-resident in Decree of Dissolution in Another State.

The Attorney General of Ohio brought an action to dissolve the Union Mutual Fire Insurance Company of Cincinnati. In that action a trustee was appointed for creditors and stockholders, and an assessment was levied on policyholders. The trustee now sues John Wanamaker in the New York courts, though the latter is a resident of Pennsylvania and the insurance was negotiated and the policy delivered in that State. The court held that such a decree was not conclusive on the question of the liability of a non-resident policyholder, not parties to the original suit, but was conclusive upon him only as to the necessity for making an assessment and its amount.

3. Foreign Company—When Courts of New York Will Not Enforce Policies of Foreign Company Which Has Not Complied With Laws of State Where Insurance Was Effected.

P. L. 20 and P. L. 61 of Pennsylvania prohibit insurance by a foreign company which has not been authorized to do business in that State. The Ohio Mutual Company had not complied with these provisions when it issued the policy in question. The court held that it would not enforce here a policy issued in Pennsylvania when the company had not complied with the laws of that State.

Judgment for insured below, here affirmed by the Appellate Division of the Supreme Court of New York.

SWING vs. WANAMAKER,
124 New York Supplement, 231. (August 22, 1910.)

1. Statement of Loss—General Rule Concerning Same.

A policy contained a clause providing that, "In case of any loss or damage under this policy, a statement in writing * * shall be forthwith rendered to the company, setting forth the value of the property insured, the interest of the insured therein, all other insurance thereon, in detail, * * so far as known to the insured." The court held that this was a valid provision and must be complied with unless there was something in the words or conduct of the insurer, which either partially or wholly excused the insured from compliance.

2. Same—When Same Must Be Made—General Rule.

When the insurer defends on the ground that the statement above referred to was not made in time, the inquiry is whether, in the light of conditions surrounding the insured at the time when he was bound to act, considered as they then should have been by an ordinarily prudent man, he exercised reasonable diligence in rendering the written statement without unnecessary delay.

An insured, who has suffered loss, may properly take a few days in order to acquire the knowledge necessary intelligently to prepare the statement, adequate both to give some reliable data to the insurers and to protect his own rights in the future.

3. Same—What Conduct by Agent Waives Immediate Rendering of Same.

The property, a pickle factory, was injured by fire on December 12. There was evidence that within two days thereafter the secretary of one of the insurers, appearing to represent others of the insurers, came and talked over the matter with the insured. About a week after the fire, agents of all the insurers, empowered to adjust the loss, visited the premises. On the next day due statements were made, which were received by each insurer sixteen days after the fire. Early in January there was another meeting between the insured and the adjusters, who said at that time that the statements of loss had been received and were "all right." The court held that the inference was warranted that the insurers gave the insured to understand by their words and conduct that statements need not be furnished until after there had been an examination of the premises by their representatives, and the court concluded that all the circumstances constituted a temporary waiver in this regard.

4. Same—What Omission of Other Insurance Does Not Invalidate Same.

A policy issued by another insurer was found to exist, which the insured had not included in his list. This policy was applied for in writing, but the insured's name to the application was signed by an insurance solicitor. Though there was some evidence that the policy had been issued and mailed to the insured, and that he had paid for it, yet he did not receipt for it, and he testified that he had no recollection of applying for it and that he had never received it. The court held that a finding certainly would have been warranted that the insured made a full statement as to other insurance "so far as known to him," which was all that was required of him.

The court further stated that this modifying clause applied to all the statements which the insured was required to make.

5. Contract of Insurance—When Jury May Find Either Way as to Whether Same Is Binding.

The court stated that from the evidence of this contract of other insurance, the jury might have found either way on the question whether the policy became a binding contract.

Judgment against insured below, here reversed by the Supreme Judicial Court of Massachusetts.

GREENOUGH vs. PHOENIX INSURANCE COMPANY.
92 Northeastern, 447. (August 23, 1910.)

1. Assignment of Policy—What Consent by Insurer to Same Relieves Assignee from Breaches by Assignor.

The insured sold his insured property and assigned the policy to a third person with the consent of the insurer. When the assignee sued on the policy, the company set up in defense certain breaches by the assignor before the transfer. The court held that the assignment with the consent constituted a new contract of insurance whereby the assignee could not be charged with such breaches.

2. "Iron Safe" Clause—What Failure to Produce Inventory Avoids Policy.

The policy contained a clause rendering it void if the insured failed to keep a fireproof safe, and to produce, after a fire, an inventory, taken by the former owner of the property within twelve months of the purchase and transfer of the policy. The court held that in the absence of proof that the inventory was lost or destroyed without fault or negligence on his part and not by a mere failure to keep it in the safe, the insured could not recover.

3. Same—Same—Effect of Amount of Loss Stated.

The court held that it was immaterial in such a case that there was ample proof that the loss exceeded the insurance.

4. Same—Effect of Statute Concerning Materiality of Misrepresentations Stated.

Article 3096AA of the Rev. St. of 1895 of Texas, as added by Chapter 69 of Laws of 1903, provides that, where insurance contracts declare that misrepresentations in policies or applications therefor shall render the policies void, such misrepresentation shall not defeat actions on the policies unless such misrepresentations are material or contribute to the contingency upon which the policy became payable. The court held that this article had no application to the covenant relating to the iron safe and the inventory.

Judgment for insured below, here reversed by the Court of Civil Appeals of Texas.

NATIONAL FIRE INSURANCE COMPANY vs. J. W. CARAWAY & Co.,
130 Southwestern, 458. (August 24, 1910.)

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NATIONAL CONVENTION OF INSURANCE COMMISSIONERS.

(Continued from page 268.)

This is interesting in view of the fact that Going is the president of the State Fair Association.

Sixth—There are numerous other irregularities, including the overdrawal of the vice president's and secretary's accounts of July 31, 1910, bv small balance.

Seventh—There is evidence of criminality in some of the transactions, and when the examiner's completed report is filed with us we shall transmit a copy to the Kansas authorities for proper action. In the meantime we would urge upon the members of this convention the advisability of examining the statutes of their respective States in order to determine whether indictments for perjury will properly lie.

Commissioner Lemert, of Ohio, moved that when the complete report is had from the examiner the matter be referred to the Kansas Insurance Department, with a request that it be called to the attention of the proper officers of the law. Carried.

HARDISON ON CLASSIFICATION.

Commissioner Hardison, of Massachusetts, then read a paper on "Present Classification of Insurance in Various States," in which he said in part:

Few States have a logical and well defined system of classification of the kinds of insurance which may be transacted within their limits. No two with any pretensions of classification are alike, and the divergencies in the older States, where there has been State supervision for a long period, is very marked. An interpretation of the various enactments of Massachusetts under which the various kinds of insurance may be transacted by the same company was given, and that the Insurance Commissioner of the State had during the last two sessions of the Legislature endeavored to have substituted for the present hodge-podge of laws a simple, direct and comparatively brief statement which would set forth by classes the kinds of insurance which may be transacted, and especially the amount of capital for each class and each combination of classes, the bill was drawn in the interest of the public. It was the purpose of it to require a sufficient capital as a margin of protection. So in the case of the failure of a company through the disappearance of its surplus there would still be something left to take care of the obligations to the policyholders.

A synopsis of the methods of classification and amount of capital required for each class and for combinations in each State was given, and attention was called to the wide differences in the several systems of classifying in the several States. The paper closed by saying:

These are a few of the differences between the laws of the different States in respect to capital and combinations. Is it any wonder that the companies cry out for greater uniformity? My own idea of the insurance commissioner is, in view of the situation, that we should not be content to merely have these things pointed out to us, but should attempt to bring about a reformation as far as classes are concerned, and I recommend that the committee on laws and legislation be requested to consider this matter and draft a bill classifying the various lines and kinds of insurance, and establishing a rule for combination of the classes, this bill to be submitted for action to the convention at its next meeting.

A motion to accept the paper and adopt its recommendations was carried.

COMMISSIONER MACDONALD ON DISCRIMINATION IN LIFE POLICIES.

A paper on "Discrimination in Life Insurance Policies," by Commissioner Macdonald, of Connecticut, elaborately discussed that subject and was listened to with great interest. The commissioner showed a thorough acquaintance with the many kinds of policies in which discriminatory features appear. The following are extracts from the introduction and conclusion of the paper:

It is probable that all within reach of my voice know well the importance of the subject which I have been requested to consider. I have been limited only by the title, "Discrimination in Life Insurance Policies," yet you are as well aware as I am that there is practically no bounds set in such a limitation. The title is both broad and narrow—broad because it embraces so much, narrow because the numerous ramifications and diversity of opinions point to but a single goal, namely, that of equity. The deliberations of this body and the rulings of its individual members are of great importance not only to the companies engaged in furnishing insurance to the people but also to the persons thus served.

The present American system of State supervision is not only the executive enforcement of the insurance codes of the various States which we represent, but also the judicial enforcement of these laws, the administration of which is entrusted to our care. This supervision includes a wide range of subjects, many of them complex and capable of both extensive and injurious application. It is true, nevertheless, that many of the perplexing questions which have been before the members of this body during its forty years of existence have been practically determined.

The forty-five annual reports of the Connecticut Insurance Department already compiled historically demonstrate to the thinking man the essential rightness of the theory and practice of level premium life insurance, conveying at the same time an idea of the potential power concealed in these great institutions. The commercial importance of life insurance stands proved, many of the essential questions are determined, yet some still remain awaiting our consideration.

In an elaborate opinion the Supreme Court of Pennsylvania has said: "The general object or purpose of an insurance company is to afford indemnity or security against loss. Its engagement is not founded in any philanthropic, benevolent or charitable principle; it is a purely business venture in which one, for a stipulated consideration, or premium per cent., engages to make up wholly or in part or in a certain agreed amount any specific loss which another may sustain, and it may apply to loss of property, or personal injury, or to loss of life."

This is a strictly legal and a strictly business view of insurance. It is correct and clear enough as far as it goes, and applies well enough to some of the companies which are selling some kinds of insurance. It does not apply so well to mutual life insurance companies whose engagement is strongly, and with truth in some cases, asserted in advertisements and by zealous agents, to be quite philanthropic and benevolent, if not actually charitable. It does not apply thoroughly to the stock or mixed life insurance companies if the agents of such companies are to be wholly believed when in seeking business they lay stress on the philanthropic and benevolent character of their companies. Perhaps a somewhat broader view to take of life insurance than that of the Pennsylvania court is that it is a distribution of loss.

With this for a basis we can be entirely safe and warranted in asserting that philanthropy, benevolence and good business principles unite in demanding that whether the insuring company is a mutual one, a stock, or a mixed one, the distribution should be as fair as possible to all concerned in it, and especially to all whose premiums pay the loss. That it shall be so is the constantly growing intent and direction of the laws governing life insurance, and the constantly growing intent and effort of the State insurance departments, which have a large responsibility for the enforcement of those laws.

There are, unfortunately, several ways in which there have been and may be unfairness or discrimination in the distribution of loss in life insurance. In the early days of life insurance in the United States ignorance was the cause of not a little of such unfairness. In our times, with the knowledge born of experience and with the prevalence of acute and learned actuaries, ignorance does not play the part it once did in discrimination in life insurance, though once in a while even now miscalculations are made for which the insured have to suffer. Then, too, there was deliberate discrimination and that was one of the causes which led to the rather indiscriminate condemnation of life insurance, from which condemnation the business has now quite completely and even triumphantly emerged.

There has been and always will be another cause of discrimination and that is what might be called the natural discrimination brought about by events which alter the conditions under which the insured in any class are carried at one time and another. It has also been thought by some who have studied the matter that the multiplication of forms of insurance in a company leads to discrimination against one or another of the classes. It has been even argued that but one kind of insurance should be issued by any one company. Then all concerned in any one kind of insurance would be practically sure of being treated alike.

But setting aside ignorance, which is now happily well on its way to extermination in the insurance companies and departments of this country, and those natural causes of discrimination which cannot be foreseen and guarded against, we can commendably address ourselves with all others interested to the philanthropic, the benevolent, and the business-like task of diminishing whatever careless or deliberately wrong discrimination there is in the present methods of carrying on the business of

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life insurance. We can feel and say that common honesty and good business principles demand that there shall be no such discrimination and we can do what is in our power to prevent it. * *

Just a word in conclusion. I have not by any means exhausted this subject. I have presented various views and opinions and drawn some inferences. We represent many units of administration under many different laws. Whether the next twenty-five years of American State supervision will serve fairly public interest remains to be seen. The success of the past is a matter of opinion. In many of the States there are policies of life insurance still in force issued before this convention first assembled. Today policies are being written in conformity with law to remain in force for many years to come. Errors made in the old contracts cannot be corrected now. Therefore it is best to treat all profound questions involving life insurance equities with due deliberation, collectively and individually, and, at the same time, to favor sane uniform legislation and administration. To my mind we are fairly launched in a new era in regard to the transaction of business, especially when, as in the case of life insurance companies, it has about it some of the qualities of public service. We have come to a point when there must be actual as well as nominal equity between all parties. To this end therefore we should lay aside technicalities as far as practical and view all subjects broadly, and, whenever possible, uniformly.

The paper was loudly applauded, and many personal congratulations were given Mr. McDonald on his excellent paper.

In the absence of Insurance Superintendent Hotchkiss, of New York, his paper was read by Deputy Appleton.

SUPERINTENDENT HOTCHKISS ON THE NEW YORK LIMITATION LAW.

The paper prepared by Superintendent Hotchkiss was on the subject of the "Savings in Life Insurance by the Limitations on Expenses Prescribed by the New York Law." It said:

How much theoretically ought an average life insurance company to spend each year? What, in the United States, is the just ratio between expenses and premiums?

It is not proposed to attempt a definite answer to this question, but rather to give some facts that may be helpful toward that answer. The experience of New York under the limitation laws of 1906, particularly Section 97, is now of but three years. The statistics of these years, however, suggest certain deductions that may point toward the truth.

At the outset the writer admits that the problem is one of many factors; he is willing to let the experts wrangle over the relative importance of those factors. He is conscious, too, that company executives and actuaries have for years pushed this question aside, for the reason—shall he say it?—that they feared the truth might upset their agency forces. And he is not unmindful of Pope's famous characterization of those who rush in where angels fear to tread!

But there must somewhere be the means whereby shall be fixed the ratio by which Government may determine, how much, in the economy of things, its citizens should spend that they may have life insurance. Above such ratio any expenditure is economic waste—no matter who carries the burden.

The case of Germany seems to furnish figures based on a sufficient number of similar factors. Its reports show the percentage to be much the same from year to year. Thus from 1897 to 1905 the total expenses of German life insurance companies consumed from 13.5 per cent. to 14.5 per cent. of the total premiums received, the gross amount of the latter being about one-fourth of those paid to American companies during the same period. The percentage remained approximately constant, the average for the nine years, 1897 to 1905, being 13.9. During the same period, with 1906 included, the percentage in the United States, including industrial business, fell from 29 per cent. in 1897 to 25.3 per cent. in 1906. Concededly, the American percentage, due to high pressure methods now admitted, and full weight being given to the factor of a business which increased in volume here more rapidly than in Germany, was in 1906 too high, perhaps much too high. Statistics drawn from the recent reports to the New York department appear to demonstrate this. Indeed, while the range is a wide one, I venture to suggest that the normal percentage, which represents what we Americans as a mass ought to pay for life insurance—giving weight, of course, to American standards of living, earnings and expenditures—cannot justly, under a system of quasi-public corporations, vary greatly from between 15 and 20 per cent. of the premiums. Against any expenditure above this latter figure, policyholders, again as a mass, seem to have the right to protest. Indeed, it may be that in present conditions they may well insist, in an average company writing an average proportion of new business, on a percentage somewhere between 16 and 18.

MANAGERIAL AND AGENCY WASTE.

These observations are, however, only by way of introduction. The New York investigation of 1905 emphasized two classes of expenditure as conducing largely to the unsatisfactory conditions in life insurance—managerial waste (salaries, office buildings, syndicates, political contributions, lobbying expenses and the like), and agency waste (excessive commissions, principally on the first year's premium; rebates, expense allowances, prizes, bonuses, rewards, and the other accompaniments of forced draught methods). Of the two, the second was both the more important and much the more difficult of treatment.

The result was legislation which some have called sumptuary, but which surely was summary. The companies had shown themselves unable or unwilling to grapple with the problem. The system's principal beneficiaries—the field force itself—could scarcely be expected to do so. Natural laws, so long as the companies were struggling one with the other after the bubble bigness, seemed to increase rather than diminish the expenditure. And the Legislature stepped in! It is not the province of this paper to discuss whether the State should thus have interfered. The statistics of the first three years seem, however, fully to justify the action taken. Insurance is now being furnished those who wish it at a ratio of expense to premium for all companies doing business in New York of 17.3 per cent., as against 22.9 per cent. six years ago. The higher percentage for 1906 quoted earlier refers to the business of the whole country, including industrial business, and not merely to ordinary business as done by companies authorized in New York.

In a report to the New York department made in 1909 its auditor stated:

"It is clearly an advantage to society that a company should be permitted to spend, in selling its policies, an amount so fixed that the difference between the value of the aggregate satisfaction conferred by the company's operations and the wealth consumed in producing that satisfaction is a maximum. Up to a certain point the more money a life insurance company spends in getting business the more beneficial to society are its operations. This relation, however, is subject to the law of diminishing return, and after the maximum point is reached, each addition to the rate of expenditure is increasingly injurious."

This statement was hailed with derision in several quarters. It contains, however, an economic truth. Clearly, the real measure of the value of an institution to the society which creates it is the difference between what it gives and what it takes. Now, we are yet far from the day when life insurance will sell itself. Hence, the middleman—the agent in all his grades, and, consequently, his compensation.

COST OF INSURANCE SALESMANSHIP TOO HIGH.

How much the purchaser of a commodity should pay for salesmanship is always a relative question; the modern excesses in this direction are finding their reaction in the factory-to-family idea. Salesmanship being, however, the largest single element in the expense of life insurance, it was natural that in seeking to eliminate economic waste inquiry was focused on it. The result is well known. The expense of insurance salesmanship was found too high. It was struck at by the now famous Section 97. A cutting down of incomes resulted; a weeding out of each company's agency force. But who will say, even after but three years, that the savings from salesmanship and at the home office resulting from the New York law of 1906 have not made the difference between the aggregate satisfaction to the insured and the wealth of such insured consumed in producing that satisfaction much nearer the maximum?

The New York investigating committee did not, however, recommend any upward limit on the rate of commissions. It assumed that competition between companies would continue to set an effective limit on the loadings, and took such loadings as a basis. In accordance with its recommendations, the Legislature of 1906, in substance, (1) provided that the principal items of the annual acquisition expenses of companies doing business in New York should not exceed (a) the loadings on the first year premiums, and (b) the present values of the assumed mortality gains for the first five years of insurance, and (2) prohibited any expenses, other than investment expenditures and taxes and other real estate outlays, in excess of the aggregate amount of the actual loadings upon premiums received during the year and the present values of the assumed mortality gains as previously mentioned. Renewal commissions on other than endowment policies were limited to 7½ per cent. for the first nine years, and collection fees, after the tenth year, to 2 per cent. The committee, however, did recommend an upward limit on the annual writings of companies doing business in New York, and the Legislature of

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1906 adopted its recommendation, so far as New York companies were concerned, fixing the limitation at $150,000,000.

This is the gist of the now well known, and in some quarters much criticised, Sections 96 and 97 of the New York insurance law. Such sections constitute together the important checks on extravagance and waste developed by the investigation of 1905. Neither was perhaps in a strict sense scientific. Both were at the time apparently necessary. Of the two, Section 97 is clearly still the more important. While minor changes in it may later be found to be wise, such section contains the germ of the economic truth that declares that all expense not necessary to the maximum pecuniary efficiency of the company to the public is economic waste. It thus is the arch of the new edifice of life insurance. The limitations of Section 96 are only the buttresses.

The Superintendent here alluded to a series of tables accompanying this paper, prepared by Auditor Woodward, of the New York Department, a summary of the results of which was as follows:

SUMMARY OF STATISTICS.

Clearly, then, in twenty-six companies doing business in New York from 1904 to 1909, including practically all the large American life companies:

The percentage of total expense to total premiums in 1904 was 22.9; in 1909, it was 17.3.

The percentage of certain items of first-year expenses to first-year premiums in 1904 was 60.9; in 1909, it was 50.7.

The percentage of renewal expenses to renewal premiums in 1904 was 17.1; in 1909, it was 13.5.

The percentage of first-year commissions to first-year premiums in 1904 was 52.6; in 1909, it was 43.8.

The percentage of renewal commissions to renewal premiums in 1904 was 6.0; in 1909, it was 4.5.

But statistics with their tables and their ratios mean little to the ordinary policyholder. Here, fortunately, it is possible also to speak to him in terms of dollars and cents. Applying the 10 to 1 rule assumed by the Connecticut department as indicating the relation between the cost of new business and the cost of caring for old business:

The initial expense per $1,000 of policy obligation in force against all companies doing business in Connecticut for 1906, $36.10; the renewal expense, $3.61; while

The initial expense of such companies in 1909 was $31.51, and the renewal expense $3.15.

Thus the annual saving to policy holders in 1909 as compared with 1906 is $4.59 per $1,000 of new business and 46 cents per $1,000 of old business on the books.

Or, applying these figures to the $1,219,212,048 of insurance written by the thirty-five companies doing business in New York in 1909 and to the $10,647,240,069 of insurance in force on the books of these companies at the beginning of the year, it is evident that, assuming that the expense rate of the companies would not have continued to increase after 1906, there has been a saving to policyholders during the year 1909 of $5,596,183 in acquisition expenses, and of $4,897,730 in general management expenses, a total of $10,493,913 saved over what would have been expended, other things being equal, had the limitations imposed by the New York Insurance Law not existed.

(While the 10 to 1 ratio on which these figures are based undoubtedly had high actuarial authority at the time of its adoption, it is perhaps not entirely reliable at the present day. For an average company a ratio of, say, 7 to 1, or even 8 to 1, would presumably be now nearer the true facts. Estimates based on these latter ratios are not, however, available and the still recognized and older ratio has therefore been used.)

Similar figures, accumulated over a series of years, point to a total saving that will be stupendous in its aggregate. This is conservation of the highest type. Indeed, it may be that in the summing up by the historian of the future of the progress of the twentieth century's first decade, the New York insurance limitation law of 1906 may be given as high rank as any of the statutes of recent years passed to prevent waste and thus to conserve the general welfare.

LIMITATION OF VOLUME.

But one of the appended tables remains to be considered. It has been noted that Section 97, thus solid in economic advantage, was buttressed by the limitation on annual writings known as Section 96. The reason for this is well known, is still eloquent of waste and loss, and need not be restated here. In 1906 came the recommendations of the Armstrong Committee. It recognized the truth of the law of diminishing return. It knew that pressure from the agency field might some time sweep away the limitations of Section 97. And so the Legislature of 1906 put up the bars on mere bigness. Granted, the action was arbitrary; just as much so as was the rivalry of the companies unreasoning. But Section 96 was a war measure.

And it had its effect! While but one company has perhaps yet found its progress barred, all have known that the old clamor and crowding would no longer be tolerated. It was appropriate, therefore, that as several of the great companies approached in 1910 the $150,000,000 limit, some change should be made. How better than by abandoning the arbitrary, "Thou shalt not!" and writing over it: "You may, if you but save!" This is the essence of the amendatory law of 1910.

The words, which were in effect made applicable also to non-state companies doing business in New York, are:

"If the total amount of insurance by said corporation in force on the thirty-first day of December of the preceding year is * * more than six hundred million dollars, [it may write] not more than one hundred and fifty million dollars, or it may increase its new business over the largest amount issued in any one of the three years immediately preceding in the proportion in respect to said amount which the difference between twenty-five percentum of its net renewal premiums computed according to the bases of mortality and interest assumed in calculating its liabilities, and its total expenses for such preceding year, after deducting from said total expenses, (1) the items of first year expenditure specified in the first sentence of Section 97 of this chapter, (2) its actual investment expenses (not exceeding one-fourth of one per centum of the mean invested assets), and (3) taxes on real estate and other outlays exclusively in connection with real estate, bears to said net renewal premiums"; * *

The purpose is clearly to put a premium on economy and on business that sticks. The company which keeps well within the expense limitations of Section 97 may increase more rapidly than the company which is just within such limitations; but in no event may it increase its business written by a greater percentage than the difference between 25 per cent. of the next renewal premiums and the per cent. of its total expenses (after deducting certain specified items) to such net renewal premiums. Thus, in general, a well managed company is allowed to write each year an amount of new business increasing as the business in force grows; waste is penalized and the limitation becomes less arbitrary and more automatic and natural.

Table H is merely by way of illustration. Omitting industrial companies, there are but four of those authorized in New York to which the new law can soon apply. Assuming that the Equitable, the Mutual and the Northwestern had each written $150,000,000 in 1909, the relative economies of these companies would have permitted to be written in 1910:

By the Equitable	$156,300,000
By the Mutual	163,500,000
By the Northwestern	165,750,000
While if the New York Life, which can write this year under the new law $166,671,477, had actually written $150,000,000 in 1909, its economies have been such that in 1910 it could have written	170,250,000

Nor does it seem likely that under the new limitations the annual writings of the great companies will so increase each year as to make further limitations expedient.

After quoting from the observations by Governor Hughes on this subject, the Superintendent concluded his paper as follows:

Thus both sections now persuade toward economy. If you would grow big and bigger, says the law, see to it that you save, and in saving remember that he who saves much gains more, more new business, and, yes, more dividends to policyholders, which means more satisfaction to the public.

These are some of the truths that a layman reads in the statistics and out of the turmoil of recent years. He reads, too, that life insurance is stronger, far stronger today than it was before that turmoil. And as one of the millions of Americans holding insurance policies, he finds satisfaction and hope in that there has at last come peace, a better understanding, and a growth that is true to the slogan of the economist: Spend, but, in spending, save!

This paper was well received by the convention, and Commissioner McGivney said that it should be borne in mind that the saving of $10,000,000 shown by the paper was greatly due to the actions taken on the part of this convention. He thought the fact should be emphasized and due credit given.

FINANCIAL REPORT.

Secretary Cunningham read the financial report from March, 1909, to date, showing an income of $1,948.61 and expenditures of $1,405.91, leaving a balance on hand of $543.55. On motion

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the usual assessment to defray expenses was ordered, adjournment following.

THE AFTERNOON SESSION

convened at 3 o'clock, at the beginning of which Chairman Folk, of the committee on fraternals, read a majority and minority report on the situation. The report said in part:

Your committee prepared a bill for the regulation and control of fraternal benefit associations, with a view of placing the fraternal system on a sane and sound foundation by providing for better business methods and the introduction of correct insurance principles into the laws of these organizations. This system of insurance provides protection for 7,000,000 members in a sum of approximately $9,000,000,000.

This report carries with it the pledged support of the leaders of fraternalism as expressed through their national associations, the National Fraternal Congress and the Associated Fraternities of America. We recommend, therefore, your approval of our report and the proposed bill, not as representing a perfect code, but as representing the very best possible code in view of conditions and the magnitude of the interests involved.

This majority report was signed by Commissioners Folk, Potter, Young, Henry and Lemert.

The minority report concurred with the other except as to the last paragraph, from which Messrs. Appleton and Hardison differed in opinion in view of the fact that several States have laws governing fraternal societies which are in some respects an advance upon the provisions in this bill relating to the same matters.

There was a long and heated discussion over the adoption of the minority report, which was in fact an objection to Section 4 of the bill, which provides that the proposed bill shall take the place of other laws in each State governing fraternals. When put to vote the minority report was voted down and the majority report was adopted by a vote of 22 to 4. The secretary was directed to send a copy of the report to every department.

A curious phase of the fraternal situation developed after the meeting of the committees of the National Fraternal Congress and Associated Fraternities of America, which met with the commissioners Saturday evening previous to the convention. The executive committee of the National Fraternal Congress had adopted a resolution declaring the probable futility of agreeing as to the proposed fraternals bill, implying that the Associated Fraternities had receded from the New York agreement. In the conference, however, it was learned that the committee of the National Fraternal Congress felt that the executive committee had been misinformed as to the attitude of the Associated Fraternities, and the result was justified in disregarding instructions, and the tentative bill, as adopted by the commissioners, now carries the pledges of support of both the organizations. The bill, summarized, prevents the organization of new societies or the admission of now unlicensed societies, unless their rates are equal to those based on the National Fraternal Congress table.

It also compels valuation from and after December 31, 1912, the result to be printed and sent to each member, beginning with that of December, 31, 1913. It compels societies that are not actuarially solvent on December 31, 1917, to make good at least 5 per cent. of the deficiency every three years thereafter.

The bill provides that if a society fails to make good the 5 per cent. in any given triennial period it must do so within a year or thereafter write all its business upon full National Fraternal Congress rates and keep the proceeds in a fund by itself.

It gives each superintendent of insurance power to close up any society that in two successive triennial periods fails to make good the percentage of deficiency as required.

A provision requires lodge system and representative government, and requires at least two-thirds of supreme body to be elected as district official membership, and compels societies to retain clearly and fully the right to levy extra and increased contributions if necessary to pay claims in full.

Superintendents are given full power of supervision and examination is required at least once in three years.

In case of mergers or reinsurance the complete written contract or sworn statement of society is required to be filed with the insurance department, to be approved by the superintendent.

REPORT OF COMMITTEE ON EXAMINATIONS.

The report of the committee on examinations was given by Commissioner Button, chairman, as follows:

Your committee on examinations was appointed as a special committee at the last session at Colorado Springs with the idea that there was a specific work to be accomplished in improving and systematizing the work of the examination of insurance companies. It was hoped through the work of this committee to reach the different departments and have them unite in the work of examinations by which they would become of more value, not only to the commissioners and the people but to the companies also, and do away with much of the criticism following this part of our work.

At a meeting of the committee in New York, in December, 1909, participated in by the members of this committee and the representatives of ten other departments, the following preamble and resolution was unanimously adopted:

Whereas, a committee on examinations was duly authorized by the convention of insurance commissioners recently held at Colorado Springs, and such committee has been appointed, and,

Whereas, said committee has considered at length the best way of accomplishing the purpose for which it was constituted; therefore be it

Resolved, that each insurance commissioner or other chief supervising insurance official by whatever name designated of the United States, be invited to send to said committee a list of the insurance companies which he would like to have examined, or about which he would like specific information, and his reasons therefor, whereupon said committee will assume the duty of ascertaining when the last examination of such companies was made by their respective home State, or by the insurance departments of other States, and will, if such examination be sufficiently recent to be of value, obtain a copy of it. If in the judgment of the committee another examination is expedient either because such report of the examination does not afford all the information desirable, or for other reasons, the committee will undertake to procure through the home department of the company or otherwise, as it may deem proper, such additional information either by complete or partial new examination, as is necessary to give information called for. In the event that the home department declines to make the examination within a reasonable time when asked so to do, or to join with some other commissioner to be designated by the committee, if said committee deems it expedient in making said examination, then the committee will select two or more commissioners to make the examination and report their findings to said committee, which will undertake to furnish to any inquiring insurance official full information with reference thereto, and will in general use its best endeavors to give to supervising officials whatever information it obtains through reports of examinations or otherwise.

In accordance with this action there was sent to each commissioner a copy of this resolution, with a circular letter explaining the matter and asking his co-operation in the proposed work by not only suggesting and aiding in examinations, but by sending copies of all examinations to the committee. Nearly all of the commissioners responded approving of the plan, and promising their hearty co-operation. The committee also sent out a circular to all insurance companies doing an interstate business, asking for the following information: (1) The date of the last official examination of the company; (2) the department or departments by which conducted, and (3) for a copy in duplicate of the report of said examination or the place where a copy could be obtained.

Considerable correspondence and other work was done, and with such beneficial results as are no doubt known to the members of your body. The committee has on file the reports of examinations as follows: Life companies, 77; fire, 104; miscellaneous, 37; fraternal, 42, and not classified, 28; total, 288. No answers were received from 83 companies and societies (life, 24; fire, 28; miscellaneous, 16; fraternal, 16). The records of the committee show that 101 companies have not been examined since June 1, 1908 (life, 21; fire, 67; miscellaneous, 13). Your committee would respectfully recommend:

1. That the committee on examinations be made a permanent committee of the convention.
2. That all commissioners be urged to co-operate with the committee.
3. That the commissioners be urged to bring up the work of the examinations of their home companies.
4. That the committee be directed not only to keep a record of all examinations made under the auspices of the committee, but

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in order to discourage miscellaneous examinations to keep a record of all other examinations made outside of the commissioner's State, with the date, time occupied, amount paid and other data.

The report was on motion accepted and ordered submitted for discussion at the executive session Thursday.

REPORT ON RESERVES OTHER THAN LIFE.

The report of the committee on reserves other than life was next presented, in part, as follows:

Your committee begs to report that it has had under consideration the question of the sufficiency of the reserves produced by the various liability loss reserve laws in force. The liability companies themselves have had this same subject under consideration, and in May of this year appointed a committee, of which the president of the New Amsterdam Casualty Company is chairman, to investigate the matter with a view to helping your committee to frame a law which would produce adequate reserves and be simple in operation. The companies' committee has devoted a great deal of time and energy to the work, compiled a great mass of statistics and made a report back to the companies. This report includes digests or summaries of six proposed laws which were submitted to it, and a schedule showing the reserves which would have been required under each of the proposed laws for each company on December 31, 1909, had they been in effect at that time. The companies' committee does not feel that it has digested the information and statistics in its possession sufficiently to be able to propose a law at this time which will produce proper reserves easily calculated. The companies' committee submitted its report and the data to your committee at a meeting of the committee on reserves other than life held on the evening of September 27. The data submitted clearly shows that the reserves produced under any of the present laws are very inadequate for most of the companies. Your committee suggests that it be authorized to continue the study of this subject with the companies' committee and to submit if possible a suitable law to the commissioners of the various States in time to be introduced at the next sessions of the various legislatures.

Mr. McMaster moved that a committee on procedure be appointed, to be known as a code committee, whose duties shall be to get the rulings of the various departments and compile them as a code for the use of future conventions. Carried.

Adjournment was thereupon taken until Thursday morning, the time for the first of the executive sessions.

THURSDAY'S PROCEEDINGS.

The entire day and evening were devoted to executive sessions. In the morning the report of the committee on examinations was discussed at length and several practices heretofore indulged in by a few departments were strenuously objected to. The following resolution was adopted: "That it is the sense of this convention that no examination should be made by a member of this convention outside his home State without first requesting the committee on examinations to co-operate."

A resolution by Commissioner Hardison providing that the departments co-operate and advise each other of any ruling made with a view to greater uniformity of rulings was carried.

The following very appropriate preamble and resolution on the death of Insurance Commissioner Thomas E. Drake, of the District of Columbia, was adopted:

Resolved, That we deeply deplore the death of our late associate, which to many of this convention occasions a sense of personal bereavement; and,

Resolved, That in his demise this convention has lost one of its most valued and esteemed members, one who, always faithful to the highest ideals of our association, reflected honor and credit upon us, and one whose memory we hold in affectionate regard; and be it further

Resolved, That these resolutions be spread upon the minutes of the convention, and a copy hereof sent by the secretary to the family of our deceased member, and to the Commissioners of the District of Columbia.

OFFICERS ELECTED.

At the opening of the afternoon session the following officers were elected: President, Joseph Button, Virginia; vice president, Theo. H. MacDonald, Connecticut; secretary, H. R. Cunningham, Montana. Executive committee: W. H. Hotchkiss, New York, chairman; Reau E. Folk, Tennessee; Frank H. Hardison, Massachusetts; Fred. W. Potter, Illinois; George E. Beedle, Wisconsin.

The following resolution was offered by Actuary A. L. Reeves, of Wisconsin:

Whereas, Many insurance companies now being formed in the various States are selling their stock at two or three times its par value, upon representations that the excess over and above the par value of the stock will be credited to surplus; and

Whereas, The stock salesmen in disposing of said stock receive commissions varying from 20 to 30 per cent. of the amount paid in by the stockholder, and the stockholder is not informed that any portion of the money paid by him is to be paid to the agent who sells him the stock; and

Whereas, Many complaints are received by the various insurance departments from persons who have purchased stock that they have been deceived into believing that all of the moneys paid in by them were to become either a part of the capital or surplus funds of the company; now, therefore, be it

Resolved, by the National Convention of Insurance Commissioners of the United States, That it is the sense of this association that in all cases where a corporation formed to conduct an insurance business intends to pay out more than 5 per cent. of the amount realized from the sale of stock for organization and promotion expenses, that each stock subscriber ought to be required to give his written consent thereto, such written consent to specify the exact sum or proportion of the money paid in by him which may be expended for promotion and organization expenses.

The resolution was carried and adjournment until evening followed.

At the opening of the evening session Commissioners Hartigan of Minnesota and Barry of Michigan were by executive resolution added to the executive committee. The convention then discussed the Union Central Life case, but no definite conclusions were reached. The committee in charge of the case was continued, with instructions to report

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2nd Vice President.
120 Broadway, New York

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the recommendations of the different departments by January 1.

Commissioner Young was made chairman of the committee on examinations.

Commissioner Barry offered a resolution indorsing the action of the National Association of Fire Insurance Agents in appointing a committee to fix the qualifications of agents and solicitors as an important step toward the reduction of fire insurance expenses.

Commissioner Barry's resolution instructing the laws and legislation committee to prepare a uniform bill covering such phases of insurance as it deems advisable, with a view of securing the largest measure of uniformity, was adopted.

Milwaukee was decided upon as the meeting place next year.

Adjournment was then taken sine die.

Net Surplus and Capital, $486,413
Income 1909, . . . 1,146,723

WILL AID GOOD MEN IN ESTABLISHING AGENCIES
Best Policies, Largest Commissions or Profit Sharing Contract

NORTH AMERICAN ACCIDENT INS. CO.
A. B. FORREST, Vice-Pres. & Sec'y, Chicago.

SAFETY FUND INSURANCE.

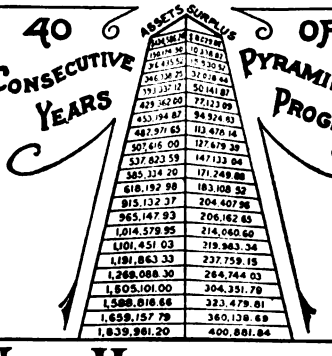
NIAGARA

Fire Insurance Company
OF NEW YORK.

OFFICE:
185 & 137 BROADWAY.

"THE COMPANY WITH THE PYRAMID"

40 CONSECUTIVE YEARS OF PYRAMIDAL PROGRESS



NEW HAMPSHIRE

2.937.319.76	840.940.17
3.163.880.05	946.783.34

FIRE INSURANCE CO.

3.779.569.67	1.154.810.10
3.877.846.70	[illegible]
3.[illegible]	[illegible]
4.0[illegible]	1.25[illegible].207.06
4.310.836.19	1.257.058.23
4.800.404.12	1.322.978.14
4.861.149.81	1.408.681.54
5.196.017.46	1.510.064.23

MANCHESTER, N. H.

TOTAL LIABILITIES $2,585,953.23
POLICY-HOLDERS' SURPLUS $2,610,064.23

"Live Articles on Special Hazards"

This is the title of a handbook on Special Hazards which every inspector, examiner, local and special agent should possess. The articles are reprinted from the Monthly Fire Insurance Supplement of THE WEEKLY UNDERWRITER, for which they have been especially prepared by experts. Descriptions are given of the processes of manufacture and the physical characteristics of the risk, and the hazards are pointed out in detail. The book contains 80 pages, size 4½x6½ inches, handsomely bound in cloth, easy to carry in the pocket. It contains the following articles:

Paint and Varnish Factories.....by A. G. Patton
Clothing Manufacture .....by E. R. Hardy
Metal Workers .....by C. C. Dominge
Patent and Enameled Leather Risks...by H. G. Howe
Storage Warehouses .....by R. D. Owen
Breweries .....by J. M. Boylan
Theatres .....by C. C. Dominge
Cotton Mills .....by A. G. Wilbor
Soap Factories .....by E. O. Torbohm
Fur Industry .....by G. E. Stecher
Brickyards ..... by T. C. Naulty
Candy Factories .....by J. D. Waite
Tobacco Industry.....by I. G. Hoagland

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The Weekly Underwriter
58 William Street,
New York, N. Y.

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1857 —— CHARTER PERPETUAL —— 1910

THE GERMAN MUTUAL LIFE INSURANCE COMPANY
OF ST. LOUIS, MO.

Attractive Policy Forms and Low Premium Rates.
Liberal Contracts to Reliable Producers.

The Only Company in the World That
"INSURES LIVES AND GUARDS THEM AGAINST DISEASE"
AGENTS WANTED
Apply to F. E. McMULLEN, 2nd Vice-President and Supt. of Agencies
HOME OFFICE BUILDING
35 Nassau Street, New York, N. Y.
E. E. Rittenhouse, President.

FIRE ASSOCIATION
1817 OF PHILADELPHIA 1908

Total Assets,	$7,840,675.19
Capital Stock,	750,000.00
Net Surplus,	1,804,021.58

E. C. IRVIN, President.
T. H. CONDERMAN, Vice-President.

New York City Department
KELLY & FULLER, Agents
92 William Street, New York City
Boston Department
JOHN C. PAIGE & CO., Agents
65 Kilby Street, Boston, Mass.

THE Fidelity and Casualty Company,

97-103 CEDAR STREET, NEW YORK CITY.

Assets, $9,607,864.46.
Capital and Surplus, $3,378,053.64.
Losses Paid to June 30, 1910, $33,065,866.09.

This Company grants Insurance as follows:
Bonds of Suretyship for persons in positions of trust,
Fidelity Bonds, Burglary, Plate Glass,
Steam Boiler, Flywheel, Employers',
Public, Teams, Workmen's Collective,
Elevator and General Liability;
Personal Accident, Health
Physicians' Liability.

OFFICERS:
George F. Seward, President.
Robert J. Hillas, Vice-President and Secretary.
Henry Crossley, Assistant Secretary.
Frank E. Law, Second Assistant Secretary.
George W. Allen, Third Assistant Secretary

ILLINOIS LIFE
INSURANCE COMPANY, CHICAGO
JAMES W. STEVENS, President.
Offers exceptional inducements to reliable and energetic men who are experienced in or who would like to enter the business of life insurance.
Address the HOME OFFICE:
Fort Dearborn Building 134 Monroe Street

MEN OF ENERGY
ARE OFFERED
WORK OF MOMENT

in desirable localities representing a sixty-year-old institution, with modern, liberal, law-conforming policies, and helpful Home Office co-operation. Much good territory available. Many opportunities for advantageous positions. Inquire NOW.

Union Mutual Life Insurance Co.
PORTLAND, MAINE
FRED E. RICHARDS, President
Address either: ALBERT E. AWDE, Supt., Flatiron Bldg., Watertown, N. Y.
THORNTON CHASE, Supt., 405 Exch. Bldg., Los Angeles, Cal.

WANTED

A Superintendent of Agencies for a Company with

Insurance in force of more than $70,000,000
Assets of more than - - - - 20,000,000
Surplus of more than - - - - 2,000,000

A HOME OFFICE POSITION

Address: "SUPERINTENDENT," care of this paper

IT PAYS THE AGENT

To represent the best company: There are many excellent standard life insurance companies. Which is the best? In stability, progressiveness, liberal contracts to agents and low cost to policyholders no company surpasses

THE
Union Central Life
Insurance Co. of Cincinnati
ASSETS, $74,523,966.28 - - - LIABILITIES, $72,324,302.92
Good openings are occuring from time to time.
ADDRESS:
JESSE R. CLARK, President. ALLAN WATERS, Sup't of Agents.

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NATIONAL POLICIES SATISFY THE PUBLIC

NATIONAL CASUALTY DETROIT

NATIONAL CONTRACTS SATISFY THE AGENT

Territory open. Write for terms.

THE CONNECTICUT MUTUAL

That means the best life insurance to have and the best to sell. If you can sell life insurance, you can sell more of it for the CONNECTICUT MUTUAL.

Men of character and ability are invited to apply.

CONNECTICUT MUTUAL LIFE INS. CO., Hartford, Conn.

Please mention this paper

1860 50TH YEAR 1910

HOME LIFE INSURANCE COMPANY

OF NEW YORK.

GEORGE E. IDE, President

ASSETS, $23,626,018.63 LIABILITIES, $21,858,691.52 (Including Deferred Dividend Fund)

Dividend-Endowment Fund (Deferred Dividends)	$2,119,044.00
Net Surplus	1,767,327.11
Insurance in Force	92,532,583.00

The Record for 1909 shows the following GAINS:

Insurance in Force	$4,164,239.00
Assets	1,917,117.00
Deferred Dividend Reserve	148,581.00
Contingency Reserve (Surplus)	655,149.17

OLDEST IN AMERICA STRONGEST IN THE WORLD

The Mutual Life

Insurance Company of New York

Mutual Life Agents Make Most Money Because Mutual Life Policies Sell Most Freely

For terms to producing agents address:

GEORGE T. DEXTER, 2d Vice-President,

34 Nassau Street, New York, N. Y.

[FIRE]

German American

Insurance Company

New York

STATEMENT JANUARY 1, 1910

CAPITAL

$1,500,000

RESERVE FOR ALL OTHER LIABILITIES

8,222,018

NET SURPLUS

6,440,211

ASSETS

16,162,229

GERMANIA

FIRE INSURANCE COMPANY

Organized 1859 NEW YORK

Cash Capital	$1,000,000.00
Assets	$6,568,220.14
Net Surplus	$2,008,419.02
Surplus for Policy Holders	$2,008,419.02

HEAD OFFICE: Cor. William and Cedar Streets

The Agricultural Insurance Company of Watertown, N.Y.

ESTABLISHED 1853.

Assets, January 1, 1910	$2,470,509.30
Total Liabilities, except Capital	1,920,837.24
Capital	500,000.00
Surplus to Policyholders	1,549,672.06

F. F. BUELL, Special Agent, Troy, N. Y.

Provident Life and Trust Co.

OF PHILADELPHIA.

The Provident has been particularly distinguished for the development of a highly trained force of agents. The systematic instruction which its agents receive has resulted in their being recognized as representatives of exceptional knowledge of the business and of marked efficiency.

Insurance Company of North America

FOUNDED 1792

232 Walnut Street, Philadelphia

Assets, January 1, 1909 ..... $12,014,062.63

Liabilities—Reserved for Reinsurance and all other claims	$7,063,156.97	
Capital Stock	3,000,000.00	
Surplus over all Liabilities	1,750,905.66	$12,014,062.63

Agents in all the principal towns and cities.

EUGENE L. ELLISON, President.

T. HOUARD WRIGHT, Secretary. HENRY W. FARNUM, Assistant Secretary.

BENJAMIN RUSH, Second Vice President. JOHN O. PLATT, Assistant Secretary.

Surplus to policyholders, $4,750,905.66.

Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

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The Northwestern
Mutual Life Insurance Co. of Milwaukee

GEO. C. MARKHAM, President
A. S. HATHAWAY, Secretary

New Business Paid-For

1905	$ 90,334,038
1906	93,563,452
1907	102,238,634
1908	109,685,428
1909	113,716,188

Each year larger than any in the previous history of the Company.

Commenced Business 1858

INSURANCE MEN will note the significant increase in The Northwestern's new business during the past five years.

IMPORTANT FACTS relating to this business are shown by the following percentages:

	Expenses	Mortality	Interest
1905	12.15	67	4.73
1906	11.76	59	4.72
1907	11.81	58	4.76
1908	10.76	59	4.84
1909	10.63	54	4.85

It is capable of easy demonstration that The Northwestern is the best Company to insure in.

See The Northwestern's new (1910) policy contract with its Dividend Options, Paid-up and Endowment Options, Options of Settlement and the Premium Loan Features.

Issues Partnership and Corporation Insurance.

For further information or an Agency, address

H. F. NORRIS,
Superintendent of Agencies.

P 500

The Liverpool & London & Globe Ins. Co.
LIMITED

ESTABLISHED 1836. ENTERED THE UNITED STATES, 1848

NEW YORK OFFICE:
WILLIAM AND PINE STREETS.

NEW ENGLAND, NEW YORK, PENNSYLVANIA, NEW JERSEY, OHIO, INDIANA, KENTUCKY, TENNESSEE, MARYLAND, DELAWARE, DISTRICT OF COLUMBIA, VIRGINIA, WEST VIRGINIA, NORTH AND SOUTH CAROLINA.

H. W. EATON, Manager.
GEO. W. HOYT, Deputy Manager.
J. B. KREMER, JR., T. A. WEED, } Agency Superintendents.

CHICAGO OFFICE:
203-205 LA SALLE STREET.

ILLINOIS, MICHIGAN, IOWA, WISCONSIN, MINNESOTA, MISSOURI, KANSAS, NEBRASKA, COLORADO, NORTH AND SOUTH DAKOTA, MONTANA, UTAH, WYOMING AND NEW MEXICO.

W. S. WARREN, Manager.
GEO. H. MOORE, Assistant Manager.
HUGH R. LOUDON, Deputy Asst. Manager.

NEW ORLEANS OFFICE:
CORNER CARONDELET AND COMMON STREETS.

LOUISIANA, MISSISSIPPI, ALABAMA, ARKANSAS, OKLAHOMA, GEORGIA, FLORIDA, TEXAS.

CLARENCE LOW, Manager.
J. G. PEPPER, Assistant Manager.
THOS. H. ANDERSON, Deputy Asst. Manager.

SAN FRANCISCO OFFICE:
444 CALIFORNIA STREET.

CALIFORNIA, NEVADA, OREGON, WASHINGTON, IDAHO, ARIZONA, ALASKA.

CHARLES D. HAVEN, Manager.
C. MASON KINNE, Assistant Manager.
JOHN W. GUNN, Deputy Assistant Manager.

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Head Office for the United States:

57 and 59

William Street,

NEW YORK.

LONDON & LANCASHIRE FIRE INSURANCE COMPANY

A. G. McIlwaine, Jr., Manager.

1894 1910

The State Life Insurance Company

Indianapolis

UNEQUALED IN SOLID ACHIEVEMENT

Assets Dec. 31, 1909, $8,580,880.58. Surplus 1909, $1,174,606.34

GROWTH UNPARALLELED

	Gain in Admitted Assets	Gain in Surplus
1907	$1,001,409.00	$27,775.00
1908	1,023,700.00	158,161.00
1909	1,201,977.14	314,044.74

Eight Million Dollars in Securities Deposited With the State of Indiana.
This is $848,861 more than is required by law.

MOST ATTRACTIVE AGENCY CONTRACTS
Our Own Idea.
Every Contract Direct With the Company.
Scores of Good Men Have Joined the State Life Field Force since January 1, 1910.
On all Agency matters address: CHAS. F. COFFIN, 2d Vice-Pres., 1231 State Life Building

You Don't Have to Explain

when you offer a man an Ætna Accident, Health or Disability Policy. You don't have to talk "Company." "Ætna" is the synonym for financial strength, liberal contracts and prompt settlements.

Good Agencies Open to the Right Men.

ÆTNA LIFE INSURANCE CO.

Accident and Liability Department

HARTFORD, CONN.

For an Agency address WALTER C. FAXON, Vice-President

Fidelity (Fire) Underwriters

OF NEW YORK

It is a good many years since the United States took her commanding place among the nations as a "world power."

It is only a few months since the Fidelity Underwriters raised their business banner, but already the Fidelity Underwriters are acclaimed as a "world power" in fire insurance.

A Fidelity Underwriters agent is, in turn, himself a power.

The policies are issued by The Continental (Fire) Insurance Company and The Fidelity-Phenix Fire Insurance Company of New York, each assuming half the liability.

Home Office: 46 Cedar St., New York

Western Office: 280 La Salle St., Chicago

Incorporated 1855

THE

JEFFERSON FIRE

INSURANCE COMPANY

OF PHILADELPHIA

In Business Fifty-four Years. Surplus to Policy-Holders, Over $450,000.

AGENCY DEPARTMENT, 425 WALNUT STREET, PHILADELPHIA.

AGENTS WANTED AT ALL DESIRABLE POINTS.

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PHOENIX

ASSURANCE COMPANY, LIMITED, OF LONDON

(ESTABLISHED 1782)

LOSSES PAID, OVER - - - $200,000,000

HEAD OFFICE FOR THE UNITED STATES

47 CEDAR STREET, NEW YORK CITY

A. D. IRVING, JR., SECRETARY — LOUIS P. BAYARD, PERCIVAL BERESFORD — JOINT MANAGERS

HARTFORD LIFE INSURANCE COMPANY

CHARTERED FORTY-THREE YEARS

GEO. E. KEENEY, President. THOMAS F. LAWRENCE, Secretary

1909 Policy Contracts are Participating and Non-Participating. Annual or Deferred Dividends—Rates revised and made lower, Values based upon the FULL RESERVE. Desirable Contracts for Producers. Address—

Second Vice-President, Home Office, HARTFORD, CONN.

1825. THE 1910.

Pennsylvania Fire Insurance Company

OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,349,097.67
Surplus	2,233,426.43
Total January 1, 1910	$7,332,524.10

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

INCORPORATED 1851.

Berkshire Life Insurance Company

OF PITTSFIELD, MASS.

All Policies issued by the Company are subject to the Massachusetts Non-Forfeiture Law.

JAMES W. HULL, President.
W. D. WYMAN, Vice-Pres. and Treasurer. J. M. LEE, Actuary.
THEO. L. ALLEN, Sec. ROBT. H. DAVENPORT, Asst. Sec.

Agencies in all the principal cities of the United States.

BRITISH AMERICA ASSURANCE CO., INCORPORATED 1833.

Head Office: TORONTO, CANADA.

UNITED STATES BRANCH.

JANUARY 1, 1910

Assets	$1,556,740.94
Liabilities	902,438.61
Net Surplus	$654,302.33

HON. GEO. A. COX, President. W. R. BROCK and JOHN HOSKIN, K.C., LL.D. Vice Presidents.

W. B. MEIKLE, General Manager.

Equitable Accident Company

161 DEVONSHIRE STREET, BOSTON, MASS.

"THE COMPANY THAT WORKS WITH YOU"

CAPITAL, - - - - - - - - - - $100,000.00
SURPLUS TO POLICYHOLDERS, - 182,372.07

Accident and Health Insurance
Commercial and Industrial Departments
Attractive Policy Forms—Liberal Commissions

WM. H. JONES, General Manager

QUEEN

Ins. Co. of America.

NEW YORK.

The Philadelphia Casualty Company

WALTER LE MAR TALBOT, President

Our New Accident Policy is Perfection

IT'S THE POLICY YOUR CLIENT WANTS
IT'S THE POLICY THAT'S EASY TO SELL

Personal Accident, Health, Liability, Automobile, Plate Glass and Credit Insurance.

AGENCY CORRESPONDENCE SOLICITED

The Columbian National Life Insurance Co. of Boston, Mass.

LIFE, ACCIDENT AND HEALTH INSURANCE

The Only Massachusetts Non-participating Company.

The New Columbian Policies are Unexcelled in Clearness and Liberality. Good Contracts and Territory for Good Producers.

ARTHUR E. CHILDS, President

COMMERCIAL UNION ASSURANCE CO.

LIMITED,

OF LONDON.

OFFICE:

Cor. Pine & William Sts., New York.

GUARANTEES—NO ESTIMATES

ARE ALL POLICIES OF

American Central Life Insurance Co.

INDIANAPOLIS, INDIANA.

INSURANCE IN FORCE, $25,000,000. ASSETS $2,462,000

High Class Salesmen Wanted in

Tennessee, Missouri, Arkansas, Alabama, Michigan, Pennsylvania, Ohio, Indiana, Illinois, Texas, Kansas, Oklahoma and Kentucky

A NEW PLAN

OF COMPENSATING SALESMEN

Write for Information Today

Insurance Brokers

PLACE YOUR

SURETY AND CASUALTY

BUSINESS IN THE

"Empire"

CAPITAL, $500,000

Business producers not now under contract wanted for open territory

Address AGENCY DEPARTMENT

THE EMPIRE STATE SURETY CO.

84 William St., NEW YORK.

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HOME OFFICE OF THE

Metropolitan Life Insurance Co.

INCORPORATED BY THE STATE OF NEW YORK

The Company OF the People, BY the People, FOR the People.

PROOF OF PUBLIC CONFIDENCE

This company has more premium paying business in force in the United States than any other Company, and for each of the last 16 years has had more New Insurances accepted and issued in America than any other Company.

The number of Policies in force is greater than that of any other Company in America, greater than all the Regular Life Insurance Companies put together (less one), and can only be appreciated by comparison. It is a greater number than the Combined Population of Greater New York, Chicago, Philadelphia, Boston, St. Louis, Cleveland, Cincinnati, San Francisco, Pittsburg, Baltimore, New Orleans and Buffalo.

ASSETS.

Municipal and R. R. Bonds and Stocks	$123,346,161.39
Bonds and Mortgages	105,183,172.02
Real Estate	23,311,215.72
Demand Loans on Collateral	172,930.00
Cash	5,420,643.42
Loans to Policyholders	11,193,245.61
Premiums, deferred and in course of collection (net)	5,190,288.45
Accrued Interest, Rents, etc.	3,290,211.85
Total	$277,107,868.46

LIABILITIES.

Dividends payable in 1910	$6,938,793.66
Reinsurance Fund and Special Reserves	237,213,384.00
All other Liabilities	3,053,470.82
Capital and Surplus	29,902,219.98
Total	$277,107,868.46

Largest Office Building in the World—Madison Avenue, Fourth Avenue, 23d Street and 24th Street, New York City.

SIGNIFICANT FACTS

This Company's Policy-claims paid in 1909 averaged in number one for every 68 seconds of each business day of 8 hours each and in amount $140.81 a minute the year through.

THE DAILY AVERAGE OF THE COMPANY'S BUSINESS DURING 1909.

456 per day in number of Claims Paid.

6,586 per day in number of Policies placed and paid for.

$1,468,755 per day in New Insurance placed and paid for.

$188,408.75 per day in Payments to Policyholders and addition to Reserve.

$133,172.72 per day in Increase of Assets.

OFFICERS

JOHN R. HEGEMAN.....President
HALEY FISKE.....Vice President
GEORGE H. GASTON....2d Vice President
GEORGE B. WOODWARD..3d Vice President
FRANK O. AYRES.....4th Vice President
F. F. TAYLOR.....5th Vice President
JAMES M. CRAIG.....Actuary
STEWART L. WOODFORD.....Counsel
WM. J. TULLY.....General Solicitor
FREDERICK H. ECKER.....Treasurer
WALTER STABLER.....Comptroller
JAMES S. ROBERTS.....Secretary
JOHN R. HEGEMAN, JR....Asst. Secretary
J. J. THOMPSON.....Assistant Secretary
T. R. RICHARDSON.....Assistant Secretary
GEORGE B. SCOTT.....Assistant Secretary
FREDERICK A. BETTS...Assistant Secretary
GEORGE C. PENHALLOW...Asst. Secretary
THOMAS H. WILLARD, M. D..Med. Direct.
AUGUSTUS S. KNIGHT, M. D..Med. Direct.
W. S. MANNERS, M. D..Asst. Med. Direct.
E. M. HOLDEN, M. D....Asst. Med. Direct.
D. M. GEDGE, M. D.....Asst. Med. Direct.

I. J. CAHEN.....Manager Ordinary Dept.
LEE K. FRANKEL, PH. D..Mgr. Indus'l Dept.
J. BERGEN OGDEN, M. D..Asst. Med. Direct.
JACOB CHADEAYNE..Mgr. Interm'd'e Branch

Paid to Policyholders since Organization, plus the Amount now invested for their Security, $537,223,523.33.
Number of Policies in Force, 10,621,679. Amount of Outstanding Insurance, $2,041,951,700.00.

A GREAT SIX MONTHS!

We closed the first half of 1910 with a rousing increase in new business over our record for the first half of highly prosperous 1909.

In policies and dividends we have what the public wants. In literature and canvassing aids we have what the agent wants. And back of all is a reputation gained from 59 years of activity as a Massachusetts Company.

If you are a genuine producer, a *delivering* producer, and wish to join our forces, address

GEORGE D. LANG, Superintendent of Agencies

MASSACHUSETTS MUTUAL LIFE INSURANCE CO.

SPRINGFIELD, MASSACHUSETTS

INCORPORATED 1851

National Life Insurance Co.

MONTPELIER, VERMONT.

Established in 1850. Operating in 36 States.

JOSEPH A. DEBOER, President.

FRED A. HOWLAND, Vice-Prest. OSMAN D. CLARK, Secretary.
JAMES B. ESTEE, 2d Vice-Prest. H. M. CUTLER, Treasurer.
A. B. BISBEE, Med. Director. C. E. MOULTON, Actuary.

This Company held January 1, 1910, and gained during the past decade:

ASSETS,	$47,490,998.98	-	Gain, 167%
LIABILITIES,	41,661,130.12	-	Gain, 162%
SURPLUS,	5,829,868.86	-	Gain, 211%
INSURANCE,	161,428,115.00	-	Gain, 79%

ABSOLUTE SECURITY AND ECONOMY OF MANAGEMENT

J. G. WALKER, President.
T. WM. PEMBERTON, 1st Vice-Pres. W. L. T. ROGERSON, 2nd Vice-Pres.
E. D. HARRIS, Secretary.

Organized 1871.

Life Insurance Company of Virginia

HOME OFFICE, RICHMOND, VIRGINIA

The OLDEST Southern Life Insurance Company.
The LARGEST AND STRONGEST Southern Life Insurance Co.
The PIONEER Southern Industrial Life Insurance Company.

Its policies are clear and definite in their provisions, and their values are absolutely guaranteed.

Assets, December 31, 1909	$5,872,691.99
Liabilities, December 31, 1909	4,312,405.82
Insurance in force December 31, 1909	68,337,613.00
Total payments to policyholders since organization	9,820,412.49

Talk Policies and Contracts

The Prudential is so well known that you don't have to lose any time introducing it. You can concentrate on the policy.

Write us today about an agency.

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA.

Incorporated as a Stock Company by the State of New Jersey.

JOHN F. DRYDEN, President Home Office, Newark, N. J.

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The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

VOL. LXXXIII. NEW YORK, SATURDAY, OCTOBER 8, 1910. No. 15.

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

THE associated fire underwriters of the field forces of the Northwest had their annual meeting at Chicago this week, and profited, as usual, by the closer touch in their social relations and the absorption of the latest underwriting ideas of the experts invited to address them. The association has become a positive force in the inspiration of improved business practices in the great territory which it represents, and its usefulness, by reason of these meetings, grows yearly. All the papers from contributing members, which appear in our report of the proceedings, are of interest, and that from the Insurance Commissioner of Michigan has a value also to all American fire underwriters, as an exposition of the attitude of the State insurance departments toward the fire insurance business on the burning question of expense reduction.

THE obvious inadequacy of the present reserves required by law to meet the claims on liability companies, in view of the increase in the hazard occasioned by the new workmen's compensation laws of New York and other States, induced the liability underwriters last spring to appoint a committee to devise methods to meet the emergency. The committee after many sessions and conferences with company executives has prepared a report, which, if inconclusive, marks progress. In effect it submits several tentative plans for consideration by the legislative power and the insurance commissioners, as well as the underwriters, and these should constitute a basis for something like a sufficient reserve law. It is admitted by the committee that even these plans may not reach far enough, for it is not easy yet to estimate the possible increase of liability which will follow the drastic new laws when in operation. Only experience will give that. Meanwhile it is the part of conservatism and wisdom to make the reserve much larger. There can be no mistake in taking that course.

STRANGE as it may seem, it is nevertheless a well known fact that among liability insurers much of the opposition to protective devices on machinery comes not from the employer, but from the employee. The insurance man making his inspection discovers an unguarded machine and speaks to the employer about it, suggesting a guard. The employer meets his suggestions with gratitude (more sincere since the new workmen's compensation act went into force), and orders the guard put on. The operative, however, who has run the machine for years and "never had an accident," through some misconceived notion of pride, either refuses to allow the guard to be put on or else takes it off unnoticed whenever he operates the machine. If reprimanded by the employer, he comes back with the reply that he will "run it without the guard or quit," and the employer, with visions of an old and experienced employee leaving in the midst of a busy season, lets him have his own way, taking the chances of accident. An effort was recently made in one of the Western States to secure legislation placing a fine upon any operative found working without guards where suitable guards had already been provided. The idea was to impose the penalty on at least one man in each manufacturing locality, so that the effect would be noted and commented upon by his fellow workers. For political reasons, apparently, this legislation was defeated, but the idea is a good one and should not be lost sight of. There are numerous circumstances in which it would embarrass the employer to enforce rules, which, if made by the State or municipality, could be enforced without jeopardizing his interests.

THE decision of the Illinois Insurance Commission—as the result of its prolonged and exhaustive investigation of fire insurance conditions in that State—not to recommend in its report any form of State rate making, is one of the several recent indications of a reaction in the sentiment that appeared to be sweeping over the West and South. It is stated that the commission was influenced largely by the opinions of prominent property owners who testified before it. Aside from other considerations, it is clear that the rank failure of the experiment of State rate making in Kansas and Texas impressed those particularly interested witnesses as it is beginning to impress some of the leading State insurance commissioners. One of the latter is Commissioner Julian of Alabama, who, in his report to the Governor just issued, says:

> It is to be hoped that every safeguard will be thrown around the policyholder and at the same time a liberal spirit will be shown the companies. The experience of those States which have attempted to compel impossible things of insurance companies has been disastrous. It occurs to me that one of the most popular fallacies is the making of rates by a State board in the matter of fire insurance. My observation has been that those States providing for a rate-making bureau have not benefited the insured, but on the other hand have caused a great deal of confusion, bringing into the State a number of weak corporations, and the result has been to drive the stronger companies from the State. Alabama, I hope, will not attempt to begin the experiment of making rates.

Commissioner Barry of Michigan has also spoken in the same strain, and his long official acquaintance with the fire insurance business and sound judgment give especial value to his opinion. At the meeting of the Fire Underwriters of the Northwest this week he said:

> It may not be amiss for me to remark right here that the experiments thus far made in the line of State rating has not been so successful as to warrant their adoption by other States. In one State, at least, the efforts of the law makers have fallen so far short of accomplishing the object sought, whatever that may have been, that those responsible for the law

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found it necessary to put the taxpayers of the State to the expense of a special session of the Legislature to accomplish its repeal. There is nothing to warrant the hope that the law enacted to take its place has been more intelligently or scientifically constructed.

The commissioner significantly adds that the making of rates had better be entrusted to those who have learned the business.

Facts and Opinions.

Actual **fear of medical examination** prevents many men from securing life insurance, declares a life solicitor of wide experience, who cited several cases in point. One applicant was so nervous during the "ordeal" that his heart action was abnormal. The physician was a man of judgment, and having found a topic of interest used considerable time in discussing it with the applicant. Casually putting his fingers on the man's wrist he found the heart action normal again and recommended him as a first class risk. The man was not afraid of the discovery of some defect that he was anxious to hide, but simply feared that the examination would reveal something he himself did not know. Another man was willing to be insured, but said he wouldn't take an examination for a thousand dollars. One day the agent knew the man was to call on him, and he 'phoned for the examiner, who was there when the prospect arrived, but did not at first reveal his identity. The conversation gradually worked around to the subject of circulation of the blood. The agent had the doctor feel of his pulse, and on the pretext of comparison had him test the prospect's pulse. "Strong and fine!" was his immediate verdict. Then the agent told his friend that the doctor was the medical examiner, and suggested that he proceed with an examination. Reassured by the report as to his heart action the prospect consented, and in a short time the application was signed, and with the doctor's certificate was on its way to the home office. When the policy was delivered the man said to the agent: "I'm mighty glad you worked it that way. I'd never have taken the examination any other way. I was scared to death for fear they would find something wrong about me." The man was a perfect risk and had really nothing to be frightened over. Another subject was nervous about a queer shaped telephone receiver in the room, thinking it was being used to report his conversation to another part of the office.

The New York State Insurance Department has published the result of an examination of the **National Protective Legion** of Waverly, N. Y., one of the larger fraternal beneficiary societies. It is solvent, but the examiners criticise severely its five-year dividend business. Of this business they say:

The five-year dividend certificates, on which a member paid, during the five-year period, substantially $133, and under which he was meanwhile entitled to death and sick benefits, had been, prior to 1907, matured at the end of the period at, for several years, about $285, and, during recent years, $250; that such a return to certificate holders was mathematically impossible, save by using the contributions of later members to pay the dividends of those whose certificates matured first; and that, as a result of the action of the Federal Government and the various State departments, the governing body of the National Protective Legion, in September, 1907, amended its constitution so that thereafter dividends were not to be determined arbitrarily but as the result of a mathematical calculation. The payment of excessive dividends had, however, gone on so long that it was found that the funds of the order had been seriously depleted and that certificate holders whose contracts matured from 1908 to 1912, inclusive, could receive but about $73, instead of $250. In spite of this mathematical calculation, the society, on advice of its counsel, declared a dividend, in 1908, of $113.58, the payment of which further depleted the fund belonging to members; with the result that, on an examination by the New York Insurance Department, as of June 30, 1908, it was found that it would take $5,521,000 more than was then on hand to mature the society's outstanding certificates even at $113.58. As a result of this examination and of further action by the Federal post office authorities, the dividend for 1909—which still continues at the last mentioned figure—was, in 1910, cut to $51.12, on a total contribution by the member of about $113.

The effect of these reductions caused a tremendous lapse rate and threatened the existence of the society. To avoid procedings by the department to close it up the society entered into a definite agreement to discontinue issuing the five-year dividend contracts. Superintendent Hotchkiss says that the other business of the society which has been featured is thought by the department to be legitimate, and to promise fair benefits to certificate holders.

An announcement comes from the New York State Insurance Department that its **investigation of new corporations organized for the promotion of insurance companies** in this State makes it clear that the promoter and his satellites, the stock salesmen, almost immediately take from 20 to 60 per cent. of the money subscribed by the investor; that the means employed in securing the subscriptions are of necessity, at times—in fact, in some companies, frequently—characterized by misrepresentation both as to the profits of existing companies and as to the probability of profit in the promoting company; and that, if the plan ultimately succeeds, the investor finds himself but a minute factor of a company usually controlled by the man who conceived it, who is, in most cases, only too willing to sell out that control to the highest bidder, no matter what may be the latter's integrity or insurance experience. The Insurance Department has come to the conclusion that this widespread movement looking to the organization of new insurance companies is chiefly for the benefit of the professional promoter, to the great injury of the investing public at large. In view of the facts developed in the investigation the department has since July 1 refused to allow any companies promoted by the means indicated to do business in this State. The laws of New York do not permit an insurance company to begin business until its capital stock is paid in in cash. It must also have a surplus—likewise paid in in cash—equal to 50 per cent. of its capital stock. The investigation, Superintendent Hotchkiss states, after being actively prosecuted for the past three months, is now practically completed, and the reports will shortly be made available to the public.

An interview with **James Hazen Hyde**, sometime vice president of the Equitable Life, has been written by Roy McCardell, who is in Paris, for the *World*, in which Mr. Hyde is described as immersed in his researches in French and English literature, spending most of his time in his magnificent library in his fine house in the most fashionable quarter of Paris, associating solely with men of distinction in the arts. While he does not mix with the gay throng of visiting Americans he is on intimate terms with those resident Americans who make Paris their home officially or socially. The James Hazen Hyde of the tally-ho parties and the violet bouquets on his horses' bridles has changed to James Hazen Hyde the bookworm. He keeps no horse, he has no carriages. One modest automobile is the extent of his vehicular possessions now. It is understood that he is writing a book on the influences which American and French men of letters have had upon the literature of the two countries since Franklin was in Paris as Ambassador at the Court of France. Regarding Mr. Hyde's former connection with the Equitable Life and his intentions for the future, Mr. McCardell says:

Mr. Hyde refuses to discuss with anyone any matter or mention in connection with the conditions that led up to his severing his connection with the Equitable. He states that he has never discussed these matters at any time for publication, even when they were crucial, and that he was at all times grossly misrepresented and misquoted in the New York newspapers. He will say, and does say, that he is still a New Yorker, and a citizen of the United States, and that his interests there are still large and of the

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greatest personal concern to him. He expects to come back to America, and is in no sense expatriated, save that in Paris he is free from embarrassments that he feels he in no measure deserved.

That **the city of London** uses less water, for all purposes, than the city of New York is the opinion of a prominent fire insurance man who is acquainted with these matters in both cities. "London uses more water than New York for fountains and the flushing of pavements," said he, "but permits no such private waste as exists here. London also requires much less water for the extinguishing of fires, for two reasons: (1) The average building construction is much superior to that in New York. A friend of mine in London has just completed a very large store, but it contains no such open areas as mark the New York department store. He has been required to build solid brick walls as fire stops at frequent intervals throughout the store, and instead of the seven stories he desired he was forced to stop at five. (2) There is greater care about the risk of starting a fire. In New York a smoker will use three or four matches to light his cigar. The first goes out because he is too busy talking to his friend to use it. The second breaks, perhaps. The third splutters instead of burning. The fourth, possibly, does the work. As to what becomes of the partially extinguished matches the smoker takes practically no heed. Therefore the percentage of fires from matches in this country, generously enumerated as 'accidental,' is large. In England every match is expected to do its duty, and is thereafter carefully disposed of."

The **fire loss** of the United States and Canada for the **month of September**, as compiled by the *Journal of Commerce and Commercial Bulletin*, shows a total of $11,700,000. A comparison of the losses of September with those of the same month in 1908 and 1909 follows:

	1908	1909	1910
January	$29,582,000	$22,735,000	$15,175,400
February	18,489,700	16,131,000	15,489,350
March	16,723,300	13,795,400	18,465,550
April	26,009,000	19,345,300	18,091,800
May	15,181,150	17,360,400	18,823,200
June	19,512,000	14,435,900	13,183,600
July	15,323,750	15,830,900	26,847,900
August	23,123,000	16,423,000	21,570,550
September	21,431,400	15,043,000	11,700,000
Total nine months	$185,375,300	$151,099,900	$159,347,350

It will be seen that the September losses this year are much less than those of the same month in 1909 and fall far below those of September, 1908. However, the year so far shows a fire waste of more than $8,000,000 greater than for the same period of last year. Our contemporary adds: "The losses in New York city have been quite expensive this month and have had a discouraging effect upon local underwriters."

Numerous **company and organization dinners** were held at Chicago this week in connection with the meeting of the underwriters from the Northwest. The Society of Insurance Medical Examiners was one of the new associations formed, of which Dr. Allison Maxwell, of Indianapolis, was elected president. A dinner was given at the Beverly Country Club by the members of the "Round Table," at which farewells were said to Mr. George H. Bell, who leaves the North British Western department at Chicago next month to become general agent at the home office in New York. The Queen field men met at the Union, the Liverpool and London and Globe field men at the Union League Club, and the Minndako-wis Tribe dined at the La Salle. The Atlas field men and departmental heads also dined at the Union League Club. The Insurance Survey Bureau Club was another new organization, of which John M. Harrison, Minnesota State agent for the Connecticut, was elected chief inspector. This club will hold annual meetings at the same time as the Northwestern meeting.

Following the announcement this week of the **purchase of control of the United Firemen's** of Philadelphia by the firm of Chandler Brothers & Co., representing the People's National, a statement has been given out by Mr. Percy M. Chandler, emphasizing the fact that it will be conducted as an entirely separate organization from the People's National. The statement continues:

We have purchased for account of our clients a majority of the stock of the United Firemen's Insurance Company. We have also been authorized by them to make a further large cash investment in the capital of the company, provided the same is authorized at the meeting of the stockholders called for December 14, for the purpose of further developing the business of the company. We are advised that it is the intention that the United Firemen's shall retain its separate corporate entity and be developed on its own lines for the benefit of all stockholders. The board of directors yesterday voted to call a meeting on December 14 for the purpose of authorizing the increase of the capital stock, and we believe all interests, including the present management, are co-operating in the proposed plan of developing the company's business.

The control of the **Majestic Life insurance company of Indianapolis** has passed to a syndicate representing stockholders in Pennsylvania, Ohio and West Virginia and the National Life insurance company of Wheeling, W. Va. New officers of the Majestic Life have been elected as follows: Frank W. Killen, president; George J. Rogers, vice president; Raymond M. Ayres, secretary; Harry Hubbard, M. D., treasurer. The new president, while still a young man, has an extensive experience in the life insurance business in the West, and is admirably well fitted to head and promote the new company. He went from Hartford, Conn., to the West, and was for some time an active and successful worker for the State Life of Indianapolis. The Majestic Life has about $3,500,000 of insurance in force. It will enter upon a larger field of business.

This week has witnessed **many costly fires in New York city**, beginning with the daylight fire at Elm and Pearl streets Monday, with $250,000 fire loss, and closely followed that night with the North River water front fire between Twenty-third and Twenty-sixth streets, in which the loss was estimated at $1,500,000. Numerous other fires with losses ranging from $50,000 to $200,000 have occurred during the week, and Chief Croker has been nearly overcome with the exertion of personally superintending much of the fire fighting. He attributes the success of the firemen in the big fires to the high pressure service. In addition he estimates that over 10,000,000 gallons of water have been drawn from the already scant regular water supply for fire fighting during the week. Chief Croker estimates the week's loss at about $3,000,000, which passes all records in the past ten years.

The new **Blue Goose officers**, elected at Chicago this week, are:

Most Loyal Grand Gander—T. H. Williams, general adjuster, San Francisco.

Grand Supervisor of the Flock—W. T. Benallack, manager, Michigan Inspection Bureau, Detroit.

Grand Custodian of the Nest—Edwin E. Wells, Denver.

Grand Guardian of the Nest—W. O. Chamberlain, Commercial Union, Minneapolis.

Grand Wielder of the Goose Quill—Walter E. Atwater, Commercial Union, Milwaukee.

Grand Keeper of the Golden Goose Eggs—Frank L. Snyder, Liverpool and London and Globe, Louisville.

Grand Guards—Carroll L. Dewitt, Illinois; Reynolds Barnum, Missouri; R. L. Reynolds, Ohio; Claude G. Snyder, Kentucky; Gilbert Leigh, Arkansas, and J. R. Stewart, Ontario.

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The **New York legislative investigating committee** is still devoting its time to an examination of charges of bribery against members of the Legislature in past years. The indications are that the insurance inquiry will be delayed for several weeks. But in the meanwhile Professor Whitney, the committee's actuary, and Mr. Hurrell, its counsel, are preparing for the forthcoming work. The former denies that the committee is engaged in the preparation of a bill making classification of their business by fire insurance companies compulsory, although he believes that classification is necessary to proper rate making.

The formal announcement of the consolidation of the **Ætna Northwestern department,** maintained at Omaha, with the Western department at Chicago, under Thomas E. Gallagher, as issued by President William B. Clark, states that owing to the ill health of General Agent Wyman, of Omaha, the consolidation has come sooner than was expected. It is to be effective December 1. Mr. Wyman has been in the service of the Ætna for fifty-six years, and his assistant, W. P. Harford, has a record of forty-five years with the company. Both retire with the sincerest regret on the part of the company.

The *Insurance Record* of London says, in connection with the **official changes** in the Norwich Union Life:

We are officially informed that Mr. J. J. W. Deuchar has, owing to continued ill health, resigned the office of general manager and actuary of the Norwich Union Life Insurance Society, and that he has been elected to a seat on the board; also that the directors have appointed Mr. Davidson Walker, F. F. A.., who for the past eighteen years has been second officer of the society, to the post of general manager and actuary, vacated by Mr. Deuchar. This is one of the most important official positions in the insurance world, and Mr. Walker is to be congratulated upon having attained the distinction of chief officer of one of the most progressive and prosperous societies in the British Islands.

An important change in **Jersey City fire insurance agencies** was made this week when Charles Hostmann became associated with the Van Houten & Sherwood Company agency, which has been established forty years. Mr. Hostmann brings with him the Royal Exchange, the Pennsylvania of Philadelphia and the Rochester German, which, with the Fireman's Fund, Commonwealth and Equitable of Rhode Island and the Globe and Rutgers already in the agency, make it a very strong insurance combination.

The directors of the **Williamsburgh City Fire** insurance company have conferred on **Frederick H. Way** the honor of election to be president of the company, succeeding the late Marshall S. Driggs. Mr. Way had been secretary of the company for thirty-eight years, and is eminently fitted for the position. Mr. Wyckoff Vanderhoef was made secretary to succeed Mr. Way, his connection with the company extending over a period of forty years. There were no other changes.

The annual "Kalendar" of the **Insurance Society of New York,** just issued, is a valuable epitome of the proposed year's work of the society, together with a complete and conveniently arranged catalogue of the books and publications in the library at the headquarters of the organization, 84 William street. A list of members and of the meetings proposed to be held the coming year is included. It will be seen that much work of value is planned for this year.

The **Provident Savings Life** of New York announces the apointment of Mr. John C. O'Neill, of Canandaigua, N. Y., as agency supervisor at its Rochester, N. Y., agency. Mr. O'Neill has been with the Ætna Life for several years, from which company he has now resigned. The Provident Savings has also appointed as district managers Mr. Charles I. O'Neill and Mr. Orin J. Cooley, both of Canandaigua, N. Y.

The **Pacific Coast view** of it, as expressed in the *Coast Review,* is as follows:

The Wells-Fargo Express Company believes in protecting home industries—nit. The insurance companies of this country pay it thousands of dollars for extravagant express charges. But Wells-Fargo has insured all its property in Lloyds of London, which dodge taxes, fight claims, and contribute nothing to the express company. Insurance companies should withhold their business from Wells-Fargo bank and express company, and join in asking for lower express rates.

Affairs of the **Indiana Industrial Life** of Terre Haute are to be investigated by State Auditor Billheimer, who, it is said, has been informed that bogus mortgages have been deposited with him as part of the required deposit of securities. It is alleged that not only was no money loaned on this paper, but that the parties giving them were to be reimbursed later for the "accommodation."

The Missouri and Kansas **field men of the early '70s** held a reunion at Chicago this week in connection with the meeting of the Fire Underwriters of the Northwest. Eight attended whose combined ages aggregated 568 years. The men were I. S. Blackwelder, A. J. Harding, Walter Scott, W. M. White, J. S. Gadsden, H. Clarkson, Geo. A. Holloway and T. H. Smith.

The governing committee of the **Western Union** has ruled that the rents of a telephone exchange are eligible to term insurance, and may be written under the same term rule that applies to the building in which it is located, and that consequential damage cannot be included in tornado policies, specific policies covering the consequential damage alone being necessary.

Alabama has a **new insurance commissioner** in Hervey W. Laird, of Montgomery, a well known journalist, who has, it is announced, made a special study of insurance. Mr. Laird succeeds Mr. Julian on his resignation. The Governor-elect, C. B. Brown, has promised to continue Mr. Laird in office when his own term of administration begins on January 1 next.

The *Coast Review* brings the information that because Seattle, Wash., daily papers ignored an extraordinary military event in **Tacoma, Wash.,** 38 miles away, many hundreds of subscriptions were canceled by Tacoma citizens, and that there is also talk of **refusing to patronize insurance companies** which have a general agent at Seattle but none at Tacoma.

Narrow streets, overhead wires and defective construction of buildings at **Waterbury, Conn.,** operate to counteract the ample water supply and efficient fire department, say the National Board engineers in a report on the **fire hazards** of that city. The fire history of the city, however, shows a small average number of fires and a low loss ratio per capita.

The **Norwich Union and the Williamsburgh City,** which contested their San Francisco claims, relying on the earthquake clauses in their policies, have this week settled the judgments recently obtained. The Williamsburgh Fire paid sixteen claims aggregating $42,601, and the Norwich Union settled four judgments amounting to $13,400.

The **Northwestern Mutual Life agent** who was arrested in Oklahoma in a test case for refusing to pay a license tax was

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acquitted, the court holding that the State tax was in lieu of all municipal taxation, and declaring that the ordinance enacted by the city council at Bristow was void and the arrest in the attempt to enforce it was unlawful.

In the light of a recent court decision on the subject the Attorney General of Massachusetts has **reversed the ruling** of a former incumbent of his office, and henceforth a Massachusetts mortgagee is not required to join in an application for the appointment of a third referee by the insured in case of a fire loss on mortgaged property.

Based on the disclosures in a report of the examination by the New York Insurance Department, a policyholders' committee of the **American Temperance Life** Insurance Association of New York city is making an effort to overthrow the present management. Many irregularities are alleged. The election takes place November 17.

An **examination of the Franklin Life** insurance company of Springfield, Ill., is being made by Actuary J. F. Roche, of New York, for the Mississippi Insurance Department. An examination by the Illinois department, consequent upon the company's merger with a new Chicago company, has just been completed.

Inquiries are being made of former agents of the **Home Fire and Marine of California** as to whether they would again represent the company if it should decide to resume writing policies. The company retired from business after the San Francisco conflagration of 1906. It was owned by the Fireman's Fund.

It is announced that the **metropolitan agency of the Berkshire Life** will after November 1 be in charge of Rhodes & Morrison. Mr. Rhodes comes from Pittsburgh, where he has represented the Berkshire for fifteen years, and Mr. Morrison has been Jersey City manager of the Mutual Benefit of Newark.

A commission appointed to investigate insurance legislation and formulate a **new insurance code for** the State of **Washington** will ask the repeal of all existing insurance laws and will submit a substitute measure. Business men of all classes have been conferred with by the members of the commission.

Texas members of the **Modern Centurions,** a Colorado fraternal order, are endeavoring to secure 500 new policyholders and organize ten subordinate lodges in order that they may secure a permanent certificate in Texas on their own account, having seceded from the parent order.

A circular has been issued by the **American Central Fire** of St. Louis to members of the National Credit Men's Association, **asking** that **detailed inventories** of stock he kept on hand for use in cases of loss. The suggestion is made that compliance will tend to reduce litigation.

Over at **Burlington, N. J.,** the State fire warden has sued a **farmer** for damages to State forests, through which a fire raged which is alleged to have originated in a brush fire in the farmer's premises. He is **charged with negligence** in not safeguarding the State's property.

The unburned policyholders of the **Shawnee Fire of Topeka** are well protected by the reinsurance of the company's business by the National Fire of Hartford, is the announcement of Vice President H. A. Smith, of the latter company.

The officers of the **Shawnee Fire** have been notified by Insurance Commissioner Cooper, of California, that the company must write no more business in that State in view of its recent reinsurance in the National of Hartford.

The **permanent injunction granted by Judge Weir** preventing fire insurance companies from combining in Indiana to maintain rates does not affect the companies combining to maintain inspection bureaus.

The National Board of Fire Underwriters has elected **Mr. Charles J. Holman,** assistant manager of the Commercial Union, to be treasurer of the board, succeeding the late Marshall S. Driggs.

Arrangements have been completed between the Massachusetts and New York insurance departments for the examination, jointly, of **L'Union St. Jean Baptiste d'Amerique** of Woonsocket, R. I.

The **Liverpool and London and Globe** insurance company is building a new Pacific Coast headquarters building at San Francisco. The cost is to be between $150,000 and $200,000.

The **Citizens Life of Reading, Pa.,** has elected the following officers: President, Cosmos D. Kutz; vice president, D. C. Brumbach; secretary, W. J. Cotter; treasurer, W. B. Krick.

Life insurance underwriters in Indiana will hold a meeting the second week in October, at which the permanent officers of their new organization will be elected.

An effort is being made by the **Iowa** Insurance Department to make **uniform** the lightning and mortgage **clauses** used in fire insurance policies in that State.

After the expiration of his present term of office **Insurance Commissioner McGivney,** of Louisiana, will, it is understood, return to his law practice in New Orleans.

The **Insurance Library Association of Boston** is planning a lecture course for the winter, and it is expected the opening lecture will be on "State Rate Making."

The **Citizens insurance company** of Clarkville, Ark., **has reinsured** with the Commercial Union. This leaves only one Arkansas stock company in the State.

The **Greater New York insurance company** is in process of organization by John W. Brooks. Its proposed capital is $200,000, with surplus of like amount.

After December 1 the **Ætna** will close its **Northwestern department** at Omaha, and States formerly under its jurisdiction will report to Chicago.

The **Great Southern Life of Houston, Tex.,** has made its deposit of $500,000 with the Texas department, and is ready to begin business.

The **Winnipeg Fire** has increased its capital from $115,000 to $200,000, the new issue being subscribed by present stockholders.

The firm of **Jones & Whitlock,** for sixty years at 51 Wall street, have moved to larger quarters at 1 Liberty street.

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Calcium carbide may not be stored within the city of Houston, Tex., by a recent order of the city council.

The **Union of Paris** has been licensed in Illinois, where it will be represented by Starkweather & Shepley.

The **General Fire of Paris** has entered Louisiana, with Emery & Norton as agents at New Orleans.

The Missouri **license** of the St. Paul Mutual Hail and Cyclone insurance company has been **revoked.**

The **Royal Exchange** is being examined by the New York Insurance Department.

Personal.

AGENCY APPOINTMENTS.

Employers' Liability Company: Conklin & Zonne, agents for Minneapolis and Hennepin County.

Empire State Surety: Reginald Lock, assistant manager at Chicago, with charge of fidelity business.

Fidelity Underwriters: John H. J. Williams, special agent in Connecticut, with headquarters at Hartford.

General Fire of Paris: Callender & Co., agents at Peoria, Ill.; Weed, Parker & Co., agents at St. Paul, Minn.

Massachusetts Fire and Marine: W. H. Markham & Co., agents at St. Louis; Brockway Brothers, agents at Kansas City; Earles & Johansing, agents at Cincinnati, effective on admission to Ohio.

Rochester German: Lucius G. Leonard, special agent for New York State, excepting metropolitan territory, with headquarters at Syracuse; Frank E. Jenkins, superintendent improved risks department.

United States Fidelity and Guaranty: Wilson & Force, agents at Minneapolis.

Union Fire of Paris: Lewis & Gendar, agents at Brooklyn, N. Y.

Mr. Walter D. Williams, vice president of the Spring Garden of Philadelphia, has been appointed western manager of the Security of Connecticut, effective November 15, succeeding the late Jesse A. Daggett. E. K. Crawford, who has been acting manager of the department since Mr. Daggett's death, becomes assistant manager with Mr. Williams.

Mr. Thomas F. Powers, for twelve years in charge of the liability department of the American Steam Boiler Insurance Company, prior to his retirement from active life, died at Rockville Center, October 3, aged seventy-seven years.

Mr. Harry K. Rowe has been appointed to be special agent in the New England States, for the Rhode Island, the Union of Paris and the National Fire of Paris, with headquarters at New Haven.

Mr. George R. McConnell, a special agent for the Central Manufacturers Mutual, in Ohio, has been appointed manager for the Ohio Farmers' in Illinois, outside of Cook County.

Mr. Harry M. Wells has resigned as associate manager of the General Adjustment Bureau at Buffalo, to take charge of the loss department of Klee, Rogers & Co., at Chicago.

Mr. Russel Gilpin has resigned as special agent for the Fidelity-Phenix for Eastern Pennsylvania.

Mr. B. L. Baldwin, a prominent fire insurance agent at Omaha, died suddenly in Chicago, October 1.

Casualty and Surety Insurance.

Among the many **unusual accidents** this week are the following: At Suffield, Mass., a lady slipped and fell while alighting from a street car, and died in a few hours.

A Wyoming farmer fell from the disc harrow he was using and was run over by the implement, being lacerated from head to foot.

In Colorado a hunter 15 miles from civilization was accidentally shot with his own rifle, and died before he could be brought out to a physician.

A young woman at Colorado Springs who tried to kill a chicken by breaking its neck with the stock of a gun was shot in the thigh by the resultant accidental discharge of the gun.

A New Haven man was thrown from his buggy and trampled when his horse became frightened by a passing locomotive.

A New York city girl, four years old, was thrown many feet when a touring car struck her. Its occupants came and looked at her and then speeded away.

A student at Queen's College, Ontario, was killed when a boat shipped water on account of the recoil of the guns of his companions, who were firing at a flock of ducks, causing his own gun to be discharged into his body.

At the Vanderbilt Cup race a Newark, N. J., man was assisting a lady to alight from a car when her hatpin struck his eye, causing the loss of its sight.

A Paterson, N. J., little girl danced about a bonfire, and was horribly burned when her dress took fire.

At Ampere, N. J., a workman at a punch press had both hands crushed off when his foot by accident prematurely operated the press.

At Staunton, Ill., thirty-two persons were killed and twenty-six others injured in a collision of electric cars.

An Illinois editor was killed while playing "Indian" with his little son, who was handling a loaded rifle.

A reviewing stand fell at Kansas City, injuring forty-three persons.

A physician at Northumberland, Pa., is at the point of death from tetanus which developed when he pricked his hand with the hypodermic needle he had just used on a patient, who later died from the same disease.

A San José, Cal., physician stepped from a street car in front of his home directly in the path of an approaching auto and was killed in view of his family.

A little baby in Plainfield, N. J., slipped between the mattress and the footboard of a bed and hanged itself.

A Brooklyn woman was suffocated by steam from a wash boiler while she slept in a chair beside the kitchen stove.

At the Durango, Col., fair a bullet from a shooting gallery penetrated the cheek of a passing spectator.

The *Insurance Register* furnishes the judicial findings in a peculiar case at court relative to the **public liability of a merchant,** as follows:

In the case of Garvey vs. Namm, 121 N. Y. Supp. 442, the plaintiff testified that she had purchased from the defendant a flannel wrapper for 50 cents. A few days later she took it down from a shelf, and, undoing the wrapper for the first time, placed it in a washtub containing no other article. While rubbing the wrapper on the washboard a large basting needle contained in it penetrated her wrist. In a suit for damages against the defendant storekeeper, her claim being based on his negligence in not properly inspecting the wrapper before making the sale, she recovered $200. Defendant offered testimony to show that the wrapper had been inspected as part of a large lot and that nothing wrong was discovered. The Appellate Division held that as the needle was a basting needle and sticking out in an unfinished seam in the wrapper, it should have been discovered had the garment been inspected with ordinary care before sale, and the judgment was affirmed. The question whether plaintiff had been guilty of contributory negligence in not herself making an inspection of the wrapper before attempting to wash it was not raised on behalf of the defendant.

The committee appointed by the **liability** underwriters to devise some better method of calculating the **loss reserve** of a company writing liability insurance, in view of the increased hazards occasioned by the new liability laws of New York and other States, has prepared a report for submission to the companies. While not definitely recommending any specific formula for calculating liability reserves, the report outlines several plans which it believes will more nearly represent what is required. The committee is of the opinion that it would be well to invite the insurance commissioners to appoint an appropriate committee to consider these propositions in conjunction with the liability companies. The committee says:

The statistical data prepared by your committee are based on the published reports of the companies, notably those of the Connecticut department. The companies generally have co-operated with your committee by answering all specific inquiries directed to them. The calculations of the results of the several plans have involved actuarial work only. It is desirable that such data should be given to the insurance commissioners in convention, both in evidence of the good faith of the companies and as matter likely to be helpful in their own study of the subject. Your committee will do this unless instructed by a majority of the managers that such course should not be taken. Some representatives of the departments were present at the initial general meeting, and throughout all the

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work of your committee it has been assumed that the managers desired to co-operate with the departments and to work out right results.

The committee is composed of President William F. Moore, of the New Amsterdam Casualty, chairman; F. W. Lawson, manager for the London Guarantee and Accident; William Bro Smith, general counsel of the Travelers; C. H. Franklin, manager for the Frankford Marine, Accident and Plate Glass, and Frank E. Law, assistant secretary of the Fidelity and Casualty.

The Massachusetts Insurance Department has just finished an examination of the **Massachusetts Accident Company,** which shows that company to be in good financial condition. The total income of the company is $377,787, of which $172,980 represents premiums written on accident and health insurance, and $24,870 represents policy fees. Total disbursements are stated at $194,378, of which net losses were paid to the amount of $65,717; policy fees retained by agents were $24,828 and commissions were $33,852. The company reinsured the Bay State Casualty Company (an assessment accident concern) in May of this year, receiving $5,907.86 thereby, and assuming liabilities of about $2,500 outside of reserve. Policyholders to the number of 4,146 were transferred, representing a premium of $6,416. The president and secretary of the Bay State received $1,500 each in consideration of their services in effecting the reinsurance. Minor recommendations are made in the matter of the company's bookkeeping, which recommendations have already been adopted.

Publication of the formal notice of intention to incorporate the **Royal Indemnity Company of New York,** with a capital of $500,000, confirms the reports that the Royal would enter the casualty field in this country. The notice states that all classes of casualty insurance, together with fidelity and surety bonding, will be written, and the new company, being part of a fire insurance company already widely known throughout the United States, will quickly become a factor in the casualty field. Among those connected with the organization of the company are such men as E. F. Beddall, G. W. Burchell, C. F. Shallcross, W. L. H. Simpson, J. E. Hoffman, J. H. Pearch, James A. Macdonald, Milton Dargan, N. S. Bartow, Frederick W. Day, Rolla V. Watt, George W. Law and S. Y. Tupper.

The new officers of the **Surety Underwriters' Association,** elected this week, are as follows: President, Richard Deming, manager of the American Surety Company; vice president, Sylvester J. O'Sullivan, manager of the United States Fidelity and Guaranty Company; secretary and treasurer, John B. Murphy, resident vice president of the National Surety Company; executive committee, Joseph A. Flynn, of the Fidelity and Deposit; E. B. Southworth, Jr., of the American Bonding Company; Daniel Stewart, of the Empire State Surety Company; W. M. Smith, of the Ætna Indemnity; John B. Murphy, Sylvester J. O'Sullivan and Richard Deming.

The *Underwriters' Report* says that the **National Surety Company has decided to fight** the suit of the State of Washington, filed at Seattle several weeks ago, to enforce the payment of the $20,000 bond of ex-Adjutant General Ortis Hamilton, now serving a term for the embezzlement of State funds. The company's defense will be that Hamilton was not bonded to handle the State's money, and that the State Auditor is responsible for the funds obtained by Hamilton by means of forged vouchers.

The annual convention of the **agents of the National Surety Company** was held at the home office Tuesday and Wednesday of this week. Speeches and conferences on important subjects occupied the sessions. Attendance at the Hippodrome constituted the entertainment feature Tuesday evening. Those present came from all parts of the country as guests of the company.

The **hearing to be granted** the casualty representatives by the New York and Massachusetts insurance department heads within a few days will probably be **a lively one,** as vigorous opposition will be made from the accident and health underwriters if the commissioners indicate an intention to require all 1911 renewals to be written on the non-frill forms.

The fourth annual meeting of the **Liability Insurance Association** will be held at the Hotel Plaza, New York, Wednesday, October 19, 1910, commencing at 2 o'clock in the afternoon, and continuing Thursday, October 20, at 10 o'clock in the forenoon.

The **Massachusetts Accident Company** of Boston has been admitted to Illinois, and has appointed Robert B. Thorne resident manager for that State, with headquarters at Chicago.

The **Great Eastern Casualty** is investigating the Pacific Coast field, with a view to entering some of the Coast States.

Miscellany.

THE BOARD OF CASUALTY AND SURETY UNDERWRITERS.

Program of the Seventh Annual Meeting to Be Held at the Hotel Plaza, New York, Tuesday, October 18.

PROGRAM.

Calling of roll.
Reading of minutes.
Address of president.
Report of executive committee and discussion of same.
Report of secretary.
Report of treasurer.
Election of members.
Appointment of nominating committee.
Notices of subjects proposed for discussion.
Reports of standing committees.
Reports of special committees, including committe appointed to attend the Insurance Commissioners' Convention.

Topics for Discussion—
Legislative Bureau.
Taxation.

Addresses—
Hon. William H. Hotchkiss, Superintendent of Insurance of New York.
Hon. James R. Young, Insurance Commissioner of North Carolina, subject, "From the Viewpoint of Supervision."
Hon. Silas R. Barton, Auditor Public Accounts of Nebraska.
A. W. Damon, president the National Board of Fire Underwriters, subject, "Responsibility of the Individual."
Robert Lynn Cox, general counsel and manager Association of Life Insurance Presidents, subject, "Modern Co-operative Methods to Meet Modern Tendencies of Governmental Control."
Anton A. Raven, president Atlantic Mutual insurance company.
Hon. George F. Seward, president the Fidelity and Casualty Company, subject, "Insurance Is Commerce."

Discussion of subjects, notice of which may have been given in committee reports.
Deferred business.
Report of nominating committee and election of officers.
Adjournment.

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FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST.

Proceedings of Forty-first Annual Meeting This Week.

The forty-first annual meeting of the Fire Underwriters' Association of the Northwest was held at Chicago on Wednesday and Thursday of this week. President Charles T. Deatrick occupied the chair, and there was the usual very large attendance of field men at both days' sessions, and the interest in the proceedings was maintained throughout.

The reports of the secretary and treasurer were read, the latter showing a healthy balance to the account of the association.

ADDRESS OF THE PRESIDENT.

President Deatrick said:

In behalf of the officers and directors, I am glad to welcome you to the forty-first annual meeting of the Fire Underwriters' Association of the Northwest, and to extend to the ladies, guests and members of the press our thanks for their presence, and hope that they will find the proceedings to be of interest and pleasure.

I have no intention of taking up much time in these remarks, believing that brevity will be appreciated by you, especially as we have with us speakers who can and will talk to you in a manner that will be more entertaining and instructive.

As is well known, this association was formed by a small band of field men in the city of Dayton, Ohio, February 22, 1871, nearly forty years ago. How well they laid the foundation they little knew, and no doubt had little thought that it would reach its present proportions, with every prospect of continued growth and influence for good for another long period of years.

It was my good fortune to have the personal acquaintance and friendship of a number of the organizers of this association, all of whom have passed from this world, and today our oldest living member, in point of enrollment, is Mr. H. H. Walker, of Chicago, who, we understand, was unable to attend the first meeting, but came into full membership at the second meeting. Following Mr. Walker are a considerable number of members, who have affiliated with the association for twenty-five years and more, and at the last annual meeting a resolution was adopted, creating life membership for those who had continuously paid dues to the association during that period, and certificates have been issued to all those, as shown by the report of the secretary.

Many changes in the business of fire insurance have occurred since the first meeting of the association that I had the pleasure of attending over thirty years ago, held in the old Grand Pacific Hotel, in Chicago. Many of the leaders, and among them some of the brightest minds in our business, have passed beyond.

The problems of that day are succeeded by those of today; what were thought extreme difficulties at that time are now looked upon as being mild in comparison with those of today. The subjects then were principally a study of the hazards of various risks and questions arising through adjustments. The problems of today appear to be more weighty; we are face to face with public opinion of divers kinds which cannot be ignored, and should be met with facts and candor.

"'Tis not what we make but what we save." The reduction of the fire waste by prevention of fire, through improved construction, rather than fire protection, and a lessening in the cost of doing business, are prominently before us. The interests of the people and those engaged in the business of fire insurance are best served by a due regard for fire prevention, through improved conditions and a consequent reduction in the fire cost.

The president spoke of the proposition for a history of fire underwriting, under the auspices and by a committee appointed by the association, reviewed the report of the treasurer, and alluded to the growth of the association library. A list of members who died during the year was given.

COMMISSIONER BARRY ON THE REDUCTION OF EXPENSES.

The address of Insurance Commissioner Barry, of Michigan, was on the subject of the reduction of expenses in the fire insurance business. As he was chairman of the special committee of the National Convention of Insurance Commissioners, which had the investigation of these expenses in charge, his remarks had a special interest. The following are extracts from his address, which he opened with allusions to the compliment paid him, and proceeded:

For many years Michigan has earnestly striven through its department of insurance to deal justly with the insuring public and the companies transacting business within its borders in the administration of its laws.

The foundations of the Michigan department were laid broad and deep by the first Commissioner of Insurance of the State, the late Hon. Samuel H. Row, for many years, I believe, a member of this association. He conceived it to be his duty to protect both the public and the companies under his supervision in the full and complete enjoyment of their rights under the law. It was his belief that while insurance companies should be held to a strict recognition of the rights and privileges of the insuring public, they could not be unduly harassed or improperly burdened in their operations without eventually placing the entire burden upon the shoulders of the insuring public with which alone they had to deal.

To hold the department to the ideals thus established has been the constant aim and earnest endeavor of those who succeeded this pioneer in the field of supervision in the Middle West, and whatever measure of success they have attained in the line of safe, sane and unsensational but effective supervision stands as a monument to his wisdom and foresight, and as a tribute to his memory.

Since the days when the insurance departments of most of the States were established great changes have taken place in the scope of their operations, as well as in the business of the companies under their supervision. With these changes which have followed the development of the country and the evolution of general business have come new duties and new responsibilities.

PUBLIC SENTIMENT ABOUT SUPERVISION.

The ideas of the people have kept pace with the changing conditions, and that which fully satisfied the people in the way of supervision in those early days falls far short of meeting their expectations and demands in these parlous times.

To you gentlemen experienced in the business who are familiar with existing conditions it is unnecessary for me to go into details. It is enough to say that had not public sentiment undergone a radical change since the early days of insurance supervision, when the question of company solvency was alone considered, we would not be here to consider matters which are now uppermost in the public mind with respect to the great and important branch of the business with which you are identified, and which are by general consent deemed of paramount importance.

Public sentiment today demands that the State have a part in the conduct of many of the details of the affairs of insurance companies transacting business within its borders, and whether we are in sympathy with it or not, a matter not now under discussion, we must all recognize and concede the fact that the tendency is toward increased paternalism, with respect to the operations of these quasi public corporations. Ample proof of this fact is to be found in legislation enacted in several States during the past two years, and the investigations that are being made in other States through commissions in preparation for legislative action. * *

It is reassuring to observe that company officials and managers have recently paused to note the trend of events and seriously consider means of readjusting certain phases of the business so as to meet, in a measure at least, the views of the public, and thus forestall the danger of the enactment of unscientific legislation designed to overcome undesirable conditions or possibly, if you will, to meet political exigencies. Just now the insuring public is greatly concerned apparently about the

EXPENSE OF CONDUCTING THE BUSINESS

of fire insurance, for that, coupled with the contributions it must make for the payment of losses, makes up practically the rate it is called upon to pay for this indemnity. Inasmuch as the item

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of commissions paid to agents and brokers constitutes more than 50 per cent. of the total expense of conducting the business, public attention is naturally focused upon it.

Some three years ago in addressing the National Association of Local Agents, in annual session at Richmond, Va., I took occasion to say that

"The solution of the ever present, annoying and menacing rate problem lies, in my judgment, to a very large extent, in the proper readjustment of the commissions paid agents and brokers, and the changes in premium rates which will naturally and necessarily follow such readjustment."

While expressing at that time the opinion that legislation is not the proper remedy, largely because of inability to secure uniformity, I made the further statement that

"Failure to lessen this expense will, in all human probability, lead to the enactment of hostile legislation in States whose laws are now fair and just, if not, indeed, to the far greater evil of State insurance."

To what extent this prediction has been and is being fulfilled you gentlemen who have watched the trend of legislation in the various States may determine to your own satisfaction.

I am now, as I was then, of the opinion, for the reason above expressed, that legislation is not the ideal remedy, but I am even more thoroughly convinced that, proper or improper, legislation on this subject will become general throughout the country, however much it may vary in essential details, and then, too, at an early day, if the companies do not themselves apply the better remedy.

It is not improbable that the expense of conducting other departments of the business is too great and should be brought to a more reasonable basis, but, as previously stated, the principal and largest item is the commissions of agents and brokers, and it, therefore, is worthy of the greatest consideration.

Right here let me say that there would, I believe, be no objection made to this item or to the total expense if the service covered by this expenditure were commensurate with the outlay. It would indeed be better for the property owner, the State, the Nation and mankind if 90 per cent. of the premiums paid for fire insurance was paid for the expense of conducting the business if the public received the benefit in the way of reduced fire waste and the consequent reduction of premiums and saving of human life and conservation of our resources.

INSPECTION.

So far as I know no hostile criticism has been made of a steam boiler inspection and insurance company which last year received in excess of $1,700,000 in premiums and paid out only $70,000 for losses. Its losses were about 4 per cent. of its premium receipts, and its expenses about 60 per cent. This general feeling of satisfaction with this remarkable showing is doubtless due to the conviction on the part of the public that the company is giving ample return for the very large portion of the premiums consumed by expenses. This service tends to prevent disaster, with its attendant loss of life and property, and the public is content to pay the expense necessary to the procurement of this immunity.

The expense of inspections alone was nearly 30 per cent. of the premiums. The fire companies doing a general business in the State of Michigan reported net premiums of approximately $8,000,000 written in the State in 1909. What might have been accomplished in the way of reducing fire waste if 30 per cent. of this sum had been expended for inspections?

But how is it with the fire insurance agent? In the friendliest spirit and with no desire to criticise, let us consider what service the fire insurance agent or broker renders in return for the compensation he receives. There are, of course, exceptions, but in far too many instances he merely gathers in the business, collects the premium, sends in his daily reports and remits the balances due his companies. There is nothing in all this that tends to better conditions or reduce the fire waste.

The exceptions to whom reference was made are those agents who by painstaking study and constant effort and investigation make a profession of their calling, those who conscientiously strive to elevate the business by improving every phase of it so far as lies in their power, and who at all times labor with municipal authorities and property owners to improve conditions, and thus eliminate the causes of fires and lessen their number and extent. These agents are such as take an active part in local, State and national organizations, and are constantly seeking to know more of the business and to be of greater service to the insuring public and the companies represented in their agencies. But regret it as we may, we all know that this class of agents is not in a large majority throughout the country.

THE SYSTEM AT FAULT.

I make no criticism of the agent. The fault does not lie with him, but with the system, if it can be called a system, by which his compensation is determined. This system makes for increased expense and fire waste.

It is no slander, I believe, to say that the average agent is quite human, and is swayed, therefore, by human instincts and emotions. Local agents are as honest and as conscientious in their work and in the performance of their duties as a like number of their fellow citizens engaged in any other field of endeavor. But the system in vogue offers them no incentive to do otherwise than follow the course outlined above.

Here we have an agent of many years' experience. He is intelligent, makes a careful study of his business, perfects himself in all of its details, is conscientious in his work and jealous of the rights and interests of the companies he represents. He keeps a close tab on the condition of risks, carefully looks to their moral and physical hazard, urges his customers to improve their risks, pointing out how this may be done, and thus reap the benefit of reduced rates; keeps off bad risks, cancels business when changed conditions make such action prudent, and as a result of all this shows, at the end of the year, a low loss record and a handsome profit for his companies. He is a benefit to all concerned, except, possibly, himself.

His competitor has just engaged in the business with no experience and no conscience. His sole concern is to put upon his books a large volume of business, having an eye single to the commissions he will receive. As a result he writes everything that he can induce his companies to take and closes the year with losses in excess of his premium receipts.

And these two agents are compensated alike as far as commissions are concerned.

What is there in this situation to induce an agent to have any care whatever for the interests and the protection of his companies and the public as against his own natural desire to swell his income and the desire of his customer to cover any property he may possess regardless of the physical or moral hazard and possibly to over-insure it as well?

What is there in this situation to even suggest to the agent that he has any client but the man who comes to him to purchase fire insurance, and who pays him the premium on which his commission is computed?

The present system of compensating agents tends to array the agents against the companies they represent and to build up between them a barrier of hostile interests.

It tends to over-insurance, the covering of risks which in the interest of the general public should never be insured, and thus leads to arson and crime. It discourages, rather than encourages, the improvement of risks and the elimination of hazards, and makes it an object for the agent to lose sight of the fact that he is primarily the representative of his companies, charged with the duty of zealously guarding their interests without doing violence to the legitimate interests of the insuring public with whom he deals. The retention of such a system makes fire insurance companies appear ridiculous to the average business man. * *

CONTINGENT COMMISSIONS.

Being of the opinion that the present system of compensating agents of fire insurance companies is against the best interests of the insuring public, the companies and the legitimate agents themselves, resulting in the undesirable, costly and unhealthy condition of which mention has been made, I have earnestly sought a solution of the problem, and have been able to find it only in the adoption, preferably by company action, but by State legislation if necessary, of a system that has in it elements that make it an object for the agent to do his utmost to improve the physical hazard, avoid the moral hazard, frown upon over-insurance, discountenance the demoralizing rebate, and exert himself to prevent fires, and thus conserve the resources and property of the country and protect human life.

I know of no system of compensation that will accomplish this result save one that, to the fullest possible extent, will make an underwriter of the agent by making his interest and that of the company and the general public a common one.

For many years it has apparently been generally accepted as a settled fact in the business that the best results could be expected from general agencies that were permitted to share in the profits of the business transacted in their respective jurisdictions. In at least a few instances this method of compensation has been extended to the special agency field with gratifying results. Why it cannot be as profitably extended to include the local agency system is a question which I have not yet heard satisfactorily answered, although I have sought an answer in many widely varying directions.

The one contention advanced and emphasized over all others is the familiar and oft expressed argument that if one of the companies represented by an agent compensated by a flat and con-

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tingent commission suffers a severe loss during the early months of the year, it cannot hope to receive any more business from that agent for the balance of that particular year, and must thus lose while the other companies in the agency gain business which it would control under other conditions.

It appears to me that instead of being of any potency this argument is of no force whatever. In the first place it presupposes that the agent will be absolutely false to his trust, a supposition which I am not prepared to indorse, and blind to his own best interests if he hopes to continue in the business, but more than this, it does absolute violence to the now generally accepted truth that fire insurance is a business of averages. Unless they are prepared to admit that each separate risk should be rated on its individual experience, and that the doctrine of average has no place in the fire insurance business, those who make this objection to the profit sharing plan of compensating local agents have no basis whatever for their argument. The rule of average must apply here, just as it must apply in other branches of the business.

The agent who would adopt the shortsighted policy cited by the objectors is the same agent who will load his companies up with over-insured risks, bad hazards and all kinds of undesirable business for the sole purpose of fattening his income under existing conditions, and he is better out of the business than in it.

While this agent is resorting to the action so much feared by opponents of the profit sharing system, the company from whom he withholds business will, for a like reason, if their position is correct, be gaining in other agencies, so that its average will be faithfully maintained.

To my mind the adoption of the flat and contingent commission plan of compensating local agents will solve many of the very perplexing problems now confronting the fire insurance business. If the profit sharing plan makes general and special agents more careful and conscientious in the performance of their work, more critical of the moral and physical hazard of risks offered them, more wary of over-insurance, which too often leads to suspicious burning; more mindful of the fact that the welfare of their particular locality, their country and mankind, not to mention their own financial welfare, calls for the preservation rather than the destruction of property; by the same token, it seems to me, it will have the same beneficial effect upon the great army of local agents transacting business throughout the country.

Through the enlistment of this vast army of local agents in the active work of reducing the fire waste of this country the movement would be given such an impetus that the results would be immediate and widespread. As it is the fire insurance companies set in motion and to a large extent support practically all agencies that make for any reduction in fire waste. However, they not only fail to utilize the most powerful ally at their command and make it a material financial object for their agents to exert themselves to the utmost to eliminate the causes of fire, and thus reduce fire waste, but, on the contrary, encourage these agents, by substantial rewards through increased volume of premiums and commissions, to be indifferent, careless and neglectful with respect to this important work. The result is exactly what might be expected from such shortsighted policy. * *

AGENTS AS PARTNERS IN THE BUSINESS.

By making their thousands of agents throughout the country partners in their business, and thus vitally interesting them in the financial result of their operations, the fire insurance companies of the country would set in motion a mighty force that would ere long enlist the enthusiastic co-operation of property owners and the public generally. The former by making them see that improvement of their risks meant a reduction in the cost of indemnity, and the latter by arousing them to a sense of their duty to aid in the work of preserving that which exists for the use and benefit of themselves and those who are to come after them.

The activities of this great force of personally interested agents would in time bring about all those things which are advocated as essentials to the accomplishment of the desired object—better building laws, improved fire fighting facilities, greater cleanliness, the investigation of fires through a properly conducted fire marshal department in every State, the elimination of hazards, etc.

I am fully persuaded that the ultimate effect of the general adoption of the flat and contingent commission system of compensating local agents would be the elimination from the business of undesirable agents, rebating which benefits a favored few at the expense of the great body of rate payers, the menacing problem presented by so-called excepted cities, relief rules, varying rates of commission in different sections of the country, preferred risks with the necessary confession that the owners thereof are being charged more than the indemnity is worth, and other evils which, if not speedily abated, will result in a demand in all the States of the Union for legislation establishing State rating commissions.

It may not be amiss for me to remark right here that the experiments thus far made in the line of State rating have not been so successful as to warrant their adoption by other States. In one State at least the efforts of the law makers have fallen so far short of accomplishing the object sought, whatever that may have been, that those responsible for the law found it necessary to put the taxpayers of the State to the expense of a special session of the Legislature to accomplish its repeal. There is nothing to warrant the hope that the law enacted to take its place has been more intelligently or scientifically constructed.

In my judgment the making of rates can best be done by those who are trained in the business. If it be necessary for the State to protect its citizens by law from unjust exactions, let that law supply what the companies through jealousy of each other have thus far failed to establish; that is, a uniform classification of risks, so that the experience of each company with respect to each classification can be readily determined. Then let there be a State commission to which any insurer who deems he is being charged too high a rate can appeal for redress. Reference to the classification would determine the justness of the rate charged. * *

MR. BLODGETT ON THE SPECIAL AGENT.

Mr. W. A. Blodgett, Indiana assistant manager for the Springfield Fire and Marine, read a paper entitled "Practices." The following are extracts:

The Local Agents' Association is seriously considering the qualifications necessary for a local agent, and it is opportune that the Fire Underwriters' Association of the Northwest, the oldest organization of field men in the West, should say a word about the qualifications of a special agent. Shall we continue to have the old time special agent in the field, or shall we have drummers? The man who conceives that his sole duty is to get business for his company is nothing but a drummer, whatever his title may be. Now that field men no longer make rates and maps, and a great deal of the adjusting is done by specialists and some inspecting done by technical men, there is danger that the special agent will degenerate into little more than a drummer for business. No field man should be content to occupy that position. I am not sure but the solution of a great part of the problem which is vexing the Local Agents' Association can and will be solved by the field men. I am certain they can help, as no others can, in elevating the standard of agency representation.

Theirs is the duty to teach the principles of our business to the worthy, and eliminate those who will not accept those ideals, by holding up constantly high ideals. Little can be done at any one time, very little by any one man, but if the members of this association are all active in the campaign a sentiment will be created which is sure to produce results.

I read with a feeling of shame the announcements of the insurance commissioners of Minnesota and West Virginia that they would revoke the licenses of agents writing overinsurance. Has it come to this—that the officers of the State must step in to protect the public and our companies from a practice which the veriest tyro in the business cannot help but know is destructive? Overinsurance on the smaller risks can be guarded against by inspection. The extent to which special inspectors are being used for the larger risks indicates that the companies believe that inspection pays, and if it pays in the case of large properties, which are generally fairly well kept, it will show even larger returns for the smaller risks. * *

Another thing which is bound to increase inspection is the practice of schedule rating. More and more the field men will find it to their advantage to be able correctly to explain the make-up of rates, and to point out ways of removing hazards which increase the rate. If we are not experts in fire insurance we surely must become such, because we are the only men sent out by the companies to the agents and public to explain the business to them.

We stand at the opening of a new epoch in fire rating. The old system, or lack of system, has passed away never to return. The improved method we must learn and learn so thoroughly that we can talk it to property owners, convincing them that our business is not gambling nor "a magnificent system of guessing," but is based upon mathematics, and that rates are assessed as equitably as human ingenuity can devise. Our present method of rating invites publicity, secure in the knowledge that its intention is fair and equitable toward all men, and its execution surrounded with all the safeguards which are necessary to carry out that intention.

The large city brokers have pointed a way of service to field

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men. Certain of these brokers have acquired lines by the old bushwhacking methods of cutting rates and placing the business in unadmitted companies and Lloyds, but there are others who have gained influence by "tuning up" risks to a point where a lower rate was deserved and by drawing forms which, while coming within the rules of sound underwriting practice, more accurately covered the property. It is no disparagement to the local agents in the smaller places, whose business does not justify the employment by him of experts, to say that he is at a disadvantage in competition with these brokers, many of whom employ able men, trained by the companies, to inspect and solicit business. If the agents are to continue to write as direct business the larger risks in their towns, the field men of the companies will have to perform some such service for them as these brokers have convinced their clients that they are giving. With perhaps only one risk of its class within his jurisdiction, the average agent cannot be thoroughly posted as to the best and cheapest way of eliminating the hazards peculiar to that line of business, but the special agent has a wider field for comparisons and can, if thoroughly awake to his opportunities, inform the agent and the assured. We must get away from the idea of the drummer, crying his wares, and perchance running down the other fellows, and embrace the idea of expert service.

Our business is receiving more attention just now from the public than it has ever had before. It is inevitable that much of this should be hostile. This puts a new duty upon the members of this association—to put into the mouths of agents sound reasons against this hostility, trusting to them to spread the doctrine.

We all know that the net underwriting profit is very small—smaller than that of any other large business. It is a subject upon which it pays to go fortified with authentic figures and to din into the ears of the public upon every occasion. Instead of dwelling upon our success, which the public construes into inordinate profit, let us tell them how very narrow the margin is for our own companies and for all companies.

MR. HARRISON ON INSPECTIONS.

Mr. J. M. Harrison, State agent of the Connecticut Fire at Minneapolis, read a paper on "Inspections by Different Kinds of Insurance Concerns." He said in part:

We, of course, realize that specializing in one line is a more simple proposition, but, even though it is not possible to secure the same results, I believe it is possible to go a great way farther in that direction than we have at present. We hear a great deal these days of fire prevention, of organizations of field men for that purpose, etc., and now that the idea has taken hold, why not push it through to a finish and make fire prevention the prime motive? It might increase the percentage of expense of operating (which the companies are trying to reduce), but it would be a public service, reduce losses and the cost of insurance and still give the companies a profit. Take the boiler insurance companies; with an 85 per cent. expense their underwriting profits are from 5 to 10 per cent.—considerably more than secured by stock fire insurance companies.

FACTORY MUTUALS.

In the earlier days there was very little co-operation among the companies; the country was growing rapidly and it is natural to suppose that more attention was devoted to securing premiums than to methods of preventing losses in individual risks. Particular risks, such as cotton and woolen mills, for instance, were given but little attention, except for the fact that there were frequent losses, that they were generally total, and that the property loss was large. The only remedy the country had time to apply was to increase the rate. Factory mutuals were consequently organized, and to them we must concede the idea of making fire prevention the prime motive. They consolidated with the present results.

STOCK COMPANIES.

To meet this competition some stock companies organized associations to operate along the same lines for the purpose of handling improved risks. They study the best kind of construction for different risks, and have on file plans and specifications for the benefit of those intending to build; they study the hazards of these risks, the best methods of protecting them in order to prevent fires, and in case a fire occurs the best system of putting the fire out with a small loss. When completed and insured the risk is inspected three or four times a year by an expert inspector who devotes all of his time to inspecting, who is familiar with the manufacturing processes and the hazards involved, who represents all of the insurance and who is invested with authority—and it is natural to suppose that a few men invested with authority, devoting all of their time to one subject, will secure better results in that particular direction than a large number of men will whose duties are more varied. The extent of service rendered and the increase in the standard of the risk in which they have become interested can only be appreciated when attention is called to the fact that the cost of the insurance is not one-quarter of the previous cost.

Next examine the methods of corporations carrying their own insurance. In a general way they are pretty much the same as those just described; their object is not so much to insure as to inspect and protect their property; it is cheaper to prevent fire than to pay losses. Plants previously insured in stock companies soon assume a different appearance when placed in charge of an insurance department with knowledge of insurance engineering, giving attention to the improvement of physical hazards. The supervision of insurance matters for all of the various plants is brought under a compact management and an inspection service is established. New construction and improvements are subject to the approval of the insurance department before effective, and if there is a difference of opinion betwen the operating official and the insurance department the higher officials sometimes act as a court of last resort, and generally sustain the insurance department. Not only ordinary good care as to cleanliness is required, but the very best of care; protective appliances are maintained exclusively for fire purposes, electric wiring is made standard, and although there may be objections on the part of local managers when the system is first established, the discipline is strict, and they soon come to see the wisdom and utility of the work. Every fire that occurs is investigated for the purpose of determining its origin and the result is the elimination of many hazards.

Although much time and money are spent by stock companies for inspections, an admission that they are not as successful would probably be unanimous. The reasons are well known—risks with objectionable features which the owner will not correct are carried to curry favor with the agents. If a company does cancel its policy it is immediately replaced in another company, and the objectionable features are not corrected. If the risk is one of large value many companies are represented, an inspector of one company or another is visiting the plant continually, their suggestions are different and often contradictory; no one has authority to speak for all, and if one policy is canceled, only a very small part of the insurance is affected. The tendency has therefore been to go on collecting premiums and paying losses and to let the risk take care of itself.

CO-OPERATION NECESSARY.

The question is, how are companies doing a general business going to reverse their position and assume the position of institutions operating for the purpose of fire prevention instead of simply collectors of the fire tax? Not only co-operation (which most States try to prevent), but the assistance of the States themselves in the form of their police power is necessary. The companies would do their share if given a chance. There is no other line of business conducted by concerns composed of investors where an equal amount of time and money has been spent to devise means of reducing their own income, and in their case it can surely be said, "Private work to a private end is public service." Notwithstanding the fact that most legislators think differently, the companies themselves know more about the fire insurance business, including the defects in the system, than anyone else does. The average egotist if asked if he can play the violin would say, "I don't know; I have never tried," but the average politician unfortunately is not so modest. So the necessary co-operation in most States is difficult.

MR. MOONEY ON FIRE INSURANCE JURISPRUDENCE.

Mr. J. W. Mooney, attorney, of Columbus, Ohio, addressed the meeting on the subject of fire insurance laws. He said that the fire insurance law as it now exists in the United States has been created by the State legislatures and the State and Federal courts. The decisions of these courts, although full of conflict and inconsistencies, constitute the law of fire insurance within their respective jurisdictions. The chaotic and conflicting conditions of the law are due very largely to the failure of the courts to recognize the true principle of indemnity and to comprehend the business of underwriting and those provisions of the contract of insurance which are inserted for the purpose of limiting the moral and mutual hazards to a basis upon which the premium is paid.

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Much progress has been made in the formulation of a fair and proper contract and a great advance has been made in the adoption of a standard form of policy.

Mr. Mooney alluded to some of the most salient of the inconsistent decisions of the courts, and discussed valued policy laws, unjust taxation of insurance, rate making by legislation and the co-insurance clause. On the last two topics he said:

The latest fad in many States is to seek, under the guise of State regulation, to control and fix the rate of premiums, thus taking away from insurance companies which are required to pay losses the power of determining a fair rate of premium. From the complex nature of rate making the absurdity of attempting to control and fix rates by legislation is apparent. Rate making is one of the most difficult and intricate features of the insurance business. It requires a thorough knowledge of the principles of underwriting, and a thorough training in the science of making rates.

The great fundamental fact upon which rates of premium have and must always depend is the amount of fire waste. If the different States would take up the subject of fire prevention, and pass wise and sensible laws which have a tendency to reduce the fire waste, much would thus be accomplished in the way of reducing the rate premium. In fact, it is the only method by which premiums can be successfully reduced. The different States have it in their power to pass laws which would have the effect of reducing the fire waste, such as building codes and laws which require property owners to exercise greater care in the prevention of fire. Much more could be accomplished in reducing the premiums along these lines than by attempting to regulate and control the rate of premium by legislation.

Competition will always keep the rate of premium to the lowest possible point.

To prohibit the use of the co-insurance clause, as some States do, is injurious legislation, and detrimental to the interests of the assured, as well as to the insurance company. Laws requiring that appraisers, under the provisions of the policy, shall be residents of the county where the loss occurs, constitute another form of ill-advised legislation, and frequently work injustice to the assured, as well as to the insurer. Many other ill-advised and unwise laws have been passed which are injurious to insurance companies and result in injury to the insuring public.

Adjournment was taken following Mr. Mooney's address until Thursday morning.

THURSDAY'S PROCEEDINGS.

MR. WENTWORTH ON THE SIGNIFICANCE OF THE FIRE WASTE.

Mr. Franklin H. Wentworth, of Boston, secretary of the National Fire Protection Association, spoke for an hour, referring only to an occasional note for quotations of figures on statistics. He dwelt at length upon the economic effects of the fire waste upon the people, and pointed out the common misapprehensions regarding fire insurance, which furnish the motives for hostile and reactionary legislation. He described the beginnings of fire protection engineering in America, and the conditions which led to the organization of the National Fire Protection Association, and which have stimulated its rapid growth in public service and influence, and continued:

The reason for the prevailing mistaken public notion that the National Fire Protection Association is an insurance organization is purely psychological. The American people in their profligate neglect of their own common life and interests recognize with difficulty the functions of public organizations which do not have their roots directly in self interest. In their ignorance of the undermining economic effect of the excessive fire waste upon their own individual lives the people vaguely wonder why anybody except insurance companies should be concerned about checking fires. It is to the questionings of this common ignorace that we are so frequently obliged to reiterate the fact that the National Fire Protection Association is a public body, and that the fire insurance companies are not responsible for its utterances, and should not be embarrassed by being charged with them. Such insurance men as are in our membership are there because they are honestly interested in reducing the fire waste and wish to co-operate in checking it; but this fact is equally true of the architects, engineers, mill owners, merchants, warehousemen and all the other classes of citizens who contribute their annual dues to our organization's support.

The mental habits of a people are a vital factor in affecting its growth in social progress. For example, it is the mental habit of our people to assume that fire departments are maintained for the exclusive purpose of extinguishing fires. It is obvious, however, that fire departments have large possibilities for service in *preventing* fires; a service which is, I regret to say, yet largely potential. Every fireman, from the chief engineer down to the drivers and pipe men, should be regularly detailed for inspection service. Three or four hours a week for each man, going into basements, attics, courts and alleys, keeping down accumulations of rubbish—which spring up over night—locating the storage of inflammable oils and explosives, would keep the city as clean as a hound's tooth. Every fireman should in turn cover every section in the course of six months. One would thus check up the inspections of the other, and local conditions would become a matter for educative conversation about headquarters.

There is, however, a most important result to be achieved by such an inspection system over and beyond keeping the city clean; and that is the education of the fire fighters in the exact physical character of the city. To know exactly which passageways are open and which are closed; to know which are fire walls and which are not; to have a mental picture of the exposures, the windows, the roof openings, the cornices and all the other physical details important in fire fighting would so heighten the team work of a department that, like expert swordsmen, they could make their thrusts without loss of time straight at the vulnerable part.

There are a few cities in America—Richmond, Va., is one—where such a practice, partially in effect, has already demonstrated its singular efficiency. The citizens of every town and city in the country should demand this sort of service from its fire department—which, I am sure, will be quite willing to assume the larger function and responsibility once it is pointed out.

The National Fire Protection Association realizes that fire prevention is fully as important as fire extinguishment, and that quite as much thought should be devoted to it. No conflagration can be caused by the fire which, to use a Hibernicism, is "put out before it starts." Proper care, both public and private, would achieve this result in over 50 per cent. of the fires now reported from day to day. Once a fire is started no one on earth can safely predict the moment of its extinguishment. Too many elements of hazard and chance enter into fires in America to allow thoughtful people to remain complacent as to their origin. It is well perhaps to have confidence in the efficiency of our fire departments and fire apparatus; but we know that both may fail on occasion to extinguish a fire. Many failures of apparatus occur in fire fighting which are taken as matters of course, particularly such accidents as bursting hose or ruptured couplings, and yet such an occurrence at a critical time may turn the tide toward disaster. Such accidents occur far too often in the case of bursting hose, and indicate insufficient care in its manufacture. Indeed, this item of public department fire hose is today causing our association considerable uneasiness. We believe that such hose is generally of inferior character, both as to fabric and rubber lining, and recent tests and examinations made by our committee having this subject in charge indicate that our fears are not unfounded.

Mr. W. H. Merrill, manager of the Underwriters' Laboratories, in a public speech before the recent annual convention of the International Association of Fire Engineers, said:

"I will place on record with you our conclusions reached as a result of tests of sample lengths of new cotton rubber lined public department fire hose sent in from lots recently delivered to a number of departments in different sections of the country. The tests were made under specifications referred to as a 'minimum standard' by the manufacturers engaged in this industry. We are prepared to admit that a higher standard for this material should be set.

"The results of extended tests and examinations of sixteen different brands of fire hose received from fire departments in the Far West, the Central West and the East show important deficiencies in all, and clearly indicate that, almost without exception, these are of such inferior quality that they should not be accepted for use in a public fire department. While the brands investigated are by no means equally poor in quality, there is hardly a feature relating to the materials employed or the details of manufacture which does not merit criticism with more or less frequency, considering the tests as a whole."

These facts are not calculated to inspire American firemen with confidence in the fire hose they are called upon to handle, nor to reassure the National Fire Protection Association that its

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labors as a public body to secure improvements in this product have been of satisfactory result. For these labors have not been merely recent; neither have they been sporadic. For a considerable period of years we have endeavored to awaken in the manufacturers of fire hose the same feeling of responsibility toward the public manifested to our knowledge by producers of other varieties of fire appliances. We feel that defective fire hose is as bad for the public as defective armor plate on a battleship or artificially sweetened milk in the stomach of a baby. It is no answer for the steel manufacturers to say that the monopolies in iron justify blow-holes in steel plates; nor for the milkman to say that a slow train justifies the use of poisonous chemicals in milk. Neither is it an answer that any speculative condition of the cotton or rubber markets can justify short fibres in hose fabrics or rubber substitutes in hose linings. The impoverishment of the people by the enormous fire waste gives us the right to ask even those who live and thrive because of it to co-operate with us in our work for the common good.

Mr. Wentworth concluded his talk by explaining the value of the publicity work of the association and its increasing influence in the securing of better buildings and a better public understanding of the fire hazard and economic character of the fire waste.

MR. BRUEN ON ELECTRICAL INSPECTION.

Mr. George E. Bruen, of New York city, who is engineer and superintendent of the electrical department of the National Board of Fire Underwriters, read a most instructive paper on the work of his department. He recalled the formulation of the national electrical code in 1892 and spoke of the hard work done since that time by the electrical committee and various organizations in attempting to reduce the fire waste by improving the wiring systems throughout the country. He urged a more efficient and rigid inspection of buildings under construction, and suggested that such inspection be made a requirement.

Mr. F. M. Griswold, chairman of the committee on fire hose couplings, described the efforts of his department of the National Board to secure a uniform hose coupling.

MR. DOYLE ON THE FIRE MARSHAL DEPARTMENT.

The closing address of the convention was given by Mr. C. J. Doyle, State fire marshal of Illinois, whose topic was "The Relation of the State Fire Marshal's Office in Reducing the Fire Waste." Mr. Doyle put forth many arguments for his office, and deprecated the fact that in Illinois it is at present hampered through lack of funds. We give below extracts from his paper:

I believe that we are standing upon the threshold of an era of conservation of our property from waste through fire that must appeal to every State of this Union. I believe that within the next decade and perhaps less time every State in the Union will have a law efficiently administered by properly qualified treatment and specialized men through the agency of a State fire marshal department which will deal intelligently day in and day out, week in and week out, month in and month out, and year in and year out, until the lowest possible minimum of fire waste shall have been reached. * *

I submit to you that the property burned last year in the United States amounted in value to more than all the gold and all the silver taken from our mines. What country on earth could stand such a drain upon its resources except the United States? If it had not been that our country has been, and is today, a tremendous producing country instead of a consuming country, we would have faced this problem many years ago. I also ask this question, How long can the United States stand it?

PROTECTION BY INVESTIGATION

and the prevention of fire by a uniform system, very much similar in character to the one which is now being adopted by the several States in the Union, has been in existence in Germany, France, Italy, Spain, Belgium, Holland, Switzerland and Great Britain for many years. And it has been proved that by this system the average rate paid for fire insurance and the average loss of life by fire, as well as the average loss of property interests by fire, are each about from one-fourth to one-tenth of what our experience shows in this country.

Again I beg to call your attention, by way of comparison, to the city of Berlin, which according to the last census, had about the same population as the city of Chicago, and in which we find a fire loss of about $150,000, while in the city of Chicago, during the same period of time, the fire loss was nearly $5,000,000. It is also true that the city of Buffalo equals in fire loss the city of London, the largest city in the world.

Then what is the relation of the State fire marshal's office in reducing the fire waste? First, by an efficiently organized body of men who either are or can be trained in this work; second, by careful investigation of the cause of fire; third, by compiling statistics and classifying them in the best possible manner to emphasize their importance to the public; fourth, by addressing city councils, chambers of commerce, business associations and all classes of the assured and awakening their interest on this question; fifth, by intelligent bulletins published through the press on a phase of the fire waste proposition; sixth, by recommending and urging the passage of public building and fire limit laws by the various city councils throughout the State; seventh, by the inspection of extra hazards and removing their cause; eighth, by the investigation of alleged or apparent fires of an incendiary origin, and where guilt is clear to prosecute vigorously and fearlessly all persons guilty of the crimes of incendiarism, or arson, or conspiracy to defraud and the unrelenting prosecution of the accused. These should be the chief aims and objects of the State fire marshal department, in my judgment.

I believe that the State fire marshal and his assistants should recognize that

THE MEANEST MAN ON EARTH

is the one who burns a building to get money which his neighbors have paid to a fire insurance company. For he who burns for his own temporary gain jeopardizes not only the property but the lives of others. The man who burns for revenge is more preferable than a man who burns for reward, for the man who burns for revenge is laboring under the passion of what he considers to be a deep and great wrong, while to burn for reward is but a selfish greed and ignoble infamy.

It has been proven by experience that the owner who burns to get insurance money, if he is successful in the burning and in evading apprehension and prosecution, returns again and again to his path of ill-gotten gain.

I am convinced and thoroughly believe that this special department, known as the State fire marshal department, can be a tremendous help in reducing the fire waste in every State of our Union. I believe that this department not only should have the friendship and co-operation of every insurance company, of every State agent, of every special agent, of every local agent, but of every municipal officer in every community throughout our State. I believe that with an efficient State fire marshal department in every State in our Union and with the intelligent co-operation of every officer within the various communities, and with the standard of the character of the local agent elevated to the highest plain possible, with the financial integrity unimpaired of every insurance company doing business within the commonwealth, and the protection of those companies by the State which receives their taxes and their license fees for these privileges, we shall come as near minimizing the fire waste throughout the Union as it is possible under our form of Government.

At the Thursday afternon session it was decided to divide the directors into three classes after the present year, and to prepare a history of fire underwriting under the auspices of the association. It was urged that associations should be formed in all States not now so equipped.

ELECTION OF OFFICERS.

For the first time in the history of the association there was no contest for the office of president, and the following officers were elected unanimously: President, Alexander R. Monroe, of Chicago, assistant manager of the Western department of the Queen; vice president, John H. Gray, of Columbus, Ohio, State agent of the North British; treasurer, George H. Batchelder, of Chicago, assistant manager of the O. C. Kemp general agency; secretary, Nelson E. Briggs, of Chicago, Illinois State agent of the North British; directors, R. T. Huggard and C. T. Deatrick, Ohio; R. D. Hawey, New York; John B. Faatz, Wisconsin; R. H. Wolf, Indiana, and Neal Bassett, C. W. Good, J. M. Moran and W. A. Chapman, Chicago.

The convention thereupon adjourned.

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That means the best life insurance to have and the best to sell. If you can sell life insurance, you can sell more of it for the CONNECTICUT MUTUAL.

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OF NEW YORK.

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ASSETS, $23,626,018.63 LIABILITIES, $21,858,691.52 (Including Deferred Dividend Fund)

Dividend-Endowment Fund (Deferred Dividends)	$2,119,044.00
Net Surplus	1,767,327.11
Insurance in Force	92,532,583.00

The Record for 1909 shows the following GAINS:

Insurance in Force	$4,164,239.00
Assets	1,917,117.00
Deferred Dividend Reserve	148,581.00
Contingency Reserve (Surplus)	655,149.17

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Insurance Company of New York

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34 Nassau Street, New York, N. Y.

[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1, 1910

CAPITAL

$1,500,000

RESERVE FOR ALL OTHER LIABILITIES

8,222,018

NET SURPLUS

6,440,211

ASSETS

16,162,229

GERMANIA

FIRE INSURANCE COMPANY

Organized 1859 **NEW YORK**

Cash Capital	$1,000,000.00
Assets	$6,562,339.14
Net Surplus	$2,008,419.02
Surplus for Policy Holders	$8,008,419.02

HEAD OFFICE: Cor. William and Cedar Streets

The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1910	$3,470,509.30
Total Liabilities, except Capital	1,920,837.24
Capital	500,000.00
Surplus to Policyholders	1,549,672.06

F. F. BUELL, Special Agent, Troy, N. Y.

Provident Life and Trust Co.

OF PHILADELPHIA.

The Provident has been particularly distinguished for the development of a highly trained force of agents. The systematic instruction which its agents receive has resulted in their being recognized as representatives of exceptional knowledge of the business and of marked efficiency.

FOUNDED 1792

Insurance Company of North America

232 Walnut Street, Philadelphia

Assets, January 1, 1909 ..... $12,014,062.63

LIABILITIES—Reserved for Reinsurance and all other claims	$7,263,156.97	
Capital Stock	3,000,000.00	
Surplus over all Liabilities	1,750,905.66	$12,014,062.63

Agents in all the principal towns and cities.

EUGENE L. ELLISON, President.

T. HOUARD WRIGHT, Secretary. HENRY W. FARNUM, Assistant Secretary.

BENJAMIN RUSH, Second Vice President. JOHN O. PLATT, Assistant Secretary.

Surplus to policyholders, $4,750,905.66.

Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

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(ESTABLISHED 1782)

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Second Vice-President, Home Office, HARTFORD, CONN.

1828. THE 1910.

Pennsylvania Fire Insurance Company

OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,349,097.67
Surplus	2,233,426.43
Total January 1, 1910	$7,332,524.10

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
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The Columbian National Life Insurance Co. of Boston, Mass.

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The Only Massachusetts Non-participating Company.

The New Columbian Policies are Unexcelled in Clearness and Liberality. Good Contracts and Territory for Good Producers.

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GEO. W. HOYT, Deputy Manager.
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W. S. WARREN, Manager.
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HUGH R. LOUDON, Deputy Asst. Manager.

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JOHN W. GUNN, Deputy Assistant Manager.

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OF NEW YORK.

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INCORPORATED 1851.
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UNITED STATES STATEMENT, JANUARY, 1910.

Assets	$2,377,303.37
Surplus in United States	339,268.07

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OCT 17 1910
CAMBRIDGE, MASS.

The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

THE New York State Insurance Department is much to be commended for its efforts to protect investors from the allurements of professional new company promoters—or at least to warn that part of the public which has not parted with its cash to put slender faith in them. It is the deliberate declaration of the Insurance Superintendent that the schemes of these promoters are for the most part solely for their own benefit, and when they secure that they are indifferent whether the schemes succeed or do not. The professional promoters have flourished so luxuriantly West and Southwest during the past few years that they have attracted the notice of the authorities, but it was not well known until the superintendent's announcement last week that cases of similar promotion have been happening in New York. They take the form of holding companies, and the transactions of three of them are already reported as the result of the examinations being made by the department. The timely exposure of their methods will check the abuse in this part of the country.

THE various instrumentalities, public and social, which are contributing to the growing movement for the conservation of the public health in the United States will gladly welcome the co-operation of an organization so powerful for effective work as the Association of Life Insurance Presidents. It is announced that at a recent meeting of the association a resolution was passed authorizing the life extension committee to give all consistent support to meritorious proposed laws for improving sanitary conditions and the public health generally throughout the country. A specific plan is to be worked out whereby the association may "help along in some systematic way the movement having for its general purpose the prevention of disease and the extension of the average life." The association, invaluable as it has been in promoting the many important interests of the life insurance business, can be quite as useful to life insurance in serving to moderate the death rate, while it is furthering the means which are being so widely employed at this time for the improvement of the health of the community at large. There is no reason why an organization so strong and conspicuous as that which represents the great life insurance companies, with their thousands of millions of funds, should not lead in the beneficent mission which is now attracting the attention of the whole country. Its leadership would surely give a wonderful impetus to its popularity and to the popularity of life insurance. And by reason of its strength and popularity it could influence the hearty co-operation of the State for this public good. A business which contributes so heavily in taxes to the expenses of Government could rightly and successfully claim that a part of its supply should be devoted to the saving and prolonging of life by Government sanitation.

IT might reasonably be supposed that the agitation in so many localities for some form of State regulation of fire insurance rates would be reflected in the platforms adopted by the political parties this year at their State conventions. That almost no notice has been taken of this matter in these platforms prompts the suspicion that the hunger for State rating is not so deep seated as might have been supposed from the clamor that has been raised by interested parties. An examination of party platforms adopted in nearly all the States—some seventy of these documents in all—reveals the fact that allusion is made to insurance only in the Missouri Republican platform, which merely commends the administration of the Insurance Department, because it has raised more money from the companies than its Democratic predecessors; in the platforms of the two parties in Texas—that of the Republicans condemning the Robertson insurance law as "unwise and too radical" and that of the Democrats demanding that the Legislature—then in session—shall "dispose of the fire rating board law, adjourn and go home"—and in Vermont in the Democratic party platform, in which appears the following plank:

> The fire insurance companies doing business in Vermont today constitute the greatest trust the State has ever seen. We demand the enactment of laws regulating this trust, and protecting the insured. We also demand valued insurance.

It remains for the sedate Eastern State of Vermont to entertain in a party platform the only radical attack upon the fire insurance business, and the phraseology indicates that it was written by some small politician for a heedless and uninterested convention. It certainly had no influence on the election, for the State went Republican. The indifference of the platform writers throughout the Union in the present political campaign to a supposed "burning" issue must be significant. The platforms of both parties in Kansas, where State rate making is discussed in the courts and newspapers, are absolutely dumb on the subject.

ACCIDENT underwriters are possibly confronted by a new situation growing out of the recently enacted law concerning standard provisions for accident and health policies, a situation which would work great hardships to companies, agents and insured alike unless met with immediate and positive action. The situation in brief is that the insurance departments of New York and Massachusetts may construe the terms of the law as applica-

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ble to renewals of policies issued prior to January 1, 1911. There will be a hearing on this matter in the near future, at which the companies will have an opportunity to point out the difficulties which will follow such a ruling. The interests of policyholders, which should be uppermost in the minds of the insurance departments, would be seriously impaired were such a ruling applied. Under existing conditions a man takes out a policy of accident insurance, which is thereafter kept alive as long as needed by the insured through the simple expedient of the insurance of a "renewal" by the company. There is no new policy contract, the renewal merely continuing in force a contract of insurance previously made. This method has proved highly satisfactory to the insured public, saving as it does the annoyance of keeping track of expirations and other details which might become irksome to a busy man, and we have yet to learn of an instance where any reputable company has made any trouble if the insured wished to lapse his policy, and acted promptly and in good faith. Then, too, people who carry accident and health insurance are, of course, often away from home, perhaps traveling in foreign countries. They go away frequently without taking thought as to the expiration of their policies, relying upon the agents to secure the renewals, or upon the credit given by the companies on renewals, a custom of many years' standing. At such a time such persons are in greater need of the insurance than at any other time. If new policies are to be issued, or if signed applications are required, such absentees will necessarily be left without insurance just when they need it most. Many people by continuing policies in force for years have vested rights in them in the way of accumulations. It would work a great injustice to thrifty policyholders to make them forfeit these rights just because they could not be found at the time when their signatures were required on the applications for new policies of insurance. It would be well also to consider for a moment the company's side of the matter. Nowadays every tendency is toward a reduction of expenses in insurance, as well as other lines of industry. A ruling, such as is anticipated, would necessitate the sending of a solicitor to each policyholder in order to explain the change in form and to secure a signed application. It is doubtful whether a solicitor, whose business is considerable, could promptly visit one-half of his old clients for such a purpose. There would be great sacrifice of time and great loss to the company by reason of the many policyholders that the solicitor either could not see or find. New business would fall off, and clerical and agency work would increase. The expense ratios would soar to unprecedented altitudes. So far as we can see there has been no demand on the part of the policyholders for any such ruling, or for any change from past methods in regard to renewals. The whole proposition is unreasonable, with no argument to support it, and with every cause for its disapproval.

Facts and Opinions.

At the last regular meeting of the **Association of Life Insurance Presidents** Chicago was chosen as the place of the **fourth annual meeting** of the association. The meeting will be held on December 9 and 10. The manner and extent of the treatment of life insurance as a study in the colleges and universities of the United States is one of the subjects which will be discussed at the annual meeting. During the present year the association has been making an exhaustive inquiry into this matter, gathering original statistics from nearly 600 institutions of higher education. The results of this investigation will be presented and addresses as to future development of this kind of instruction will be made by university officials and others interested. The whole question of vocational training in such institutions will be broadly discussed. Other subjects on the program include taxation of life insurance policyholders and the necessity for uniform State laws. In connection with the association's plans to prolong human life the following resolution was adopted:

Whereas, the protection of the people of this country from the ravages of disease due to unsanitary conditions surrounding the public supplies of water, milk and other foods, ineffective sanitary laws and regulations, and the unhealthy conditions too often allowed to prevail in various trades and employments, is a subject of great importance to all citizens, and,

Whereas, it is to the lengthening of the average term of human life we must look mainly for reduction of cost of life insurance, which is a matter of great interest to life insurance companies; now, therefore,

Be It Resolved, that we hereby urge upon the attention of officers and agents of life insurance companies the need for them to co-operate in all efforts to improve sanitary laws and regulations, and the enforcement thereof, and,

Be It Further Resolved, that the life extension committee of this association be requested to formulate, if possible, a definite plan, to be reported at the next meeting of this association, whereby and whereunder its members may be able to help along, in some systematic way, the movement having for its general purpose the prevention of disease and the extension of the average human life.

The **American field** for the employment of **foreign capital** in the insurance business appears to be particularly attractive at present. The list of recent entrants into the United States and Canada by application and purchase is impressive when brought into a single paragraph. In midsummer the announcement of the entrance of the Royal Exchange to do fire insurance business in Canada was made, closely followed by the coming of the General Fire of Paris, the Union of Paris and the La Union et Fenix Español to the United States. Since that there have arrived the Norddeutsche Fire of Hamburg, the Nordische of Moscow, the Swiss Reinsurance Company, the Balkan National of Bulgaria, the Swiss National Fire and the Yorkshire insurance company, all interested in fire insurance. As to the accident and health situation the purchase of the Ocean Accident and Guarantee Corporation by the Commercial Union was the first to attract attention, although the deal involved no introduction of new English capital into American business channels. Later, however, the purchase of the Canadian Railway Accident of Ottawa by the Liverpool and London and Globe indicated that this company is viewing with favor the American casualty field, and the news of the proposed organization of the Royal Indemnity Company by the well known Royal fire insurance organization and the coming entry of the London and Lancashire Guarantee and Accident of Canada gives evidence that other English capitalists are interested in American possibilities. That the Alliance of London is about to re-enter the American fire insurance field is generally accepted, it being stated that the company is nearly ready to announce whether it will purchase an American company and plant outright or enter its own organization direct and build up a business here.

At a meeting of the New York and New Jersey fire insurance companies held in Chicago last week it was decided to contest the **claim of the Indiana Insurance Department for back taxes** for five years, for which claims have been made by the department. Thomas Bates has been retained as attorney and will visit Indianapolis this week to arrange for a test case with Attorney General Bingham, who suggested that the decision can be expedited by having the companies apply for an injunction to restrain the insurance department from acting,

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instead of waiting for it to bring suit to recover and then contesting the suit. The State is attempting to apply the reciprocal laws in collecting taxes on fire insurance companies, but to continue the collection of taxes on life and casualty companies without applying the retaliatory feature. The reason for this discrimination is that if the retaliatory law were applied to life and casualty insurance the State would receive less in taxes than it is now securing, and the right to make this discrimination is denied. Attorney General Bingham has ruled that the taxes should be collected at 2 per cent. on gross premiums instead of 3 per cent. on net premiums. H. H. Klayer, a former employee of the Ætna Fire, who has been making a business of working up tax claims against insurance companies, is understood to be back of the litigation, and to have sought permission from the Indiana department to work up the cases and carry them through on a contingent fee.

The **committees for the Western Union** for the ensuing six months have been named by Fred S. James, the newly elected president. The announcement was delayed for a short time on account of Mr. James being occupied with the reinsurance of the Shawnee Fire in the National of Hartford, of which he is Western manager. The following are the committees:

Governing Committee—F. S. Buswell, A. G. Dugan, A. J. Harding, W. N. Johnson, J. B. Lenehan, W. S. Warren, C. H. Barry, T. E. Gallagher, C. W. Higley, P. D. McGregor and W. H. Sage. H. C. Eddy, H. N. Kelsey and G. H. Lermit retire, Messrs. Warren, Lenehan and McGregor being the new members on the committee. The chairmen of the committees are as follows:

Arbitration—Law Brothers.
Bulletin—L. W. Littlejohn.
Conference—H. N. Kelsey.
Fire Protection Engineering—H. C. Eddy.
Grievance—M. F. Driscoll.
Large Cities—P. D. McGregor.
Membership—Witkowsky and Affeld.
Patrol—G. H. Lermit.
Publicity and Education—H. N. Kelsey.
Tornado—W. H. Sage.
Traction—Law Brothers.

The following are the changes: H. N. Kelsey succeeds F. S. James on the arbitration committee; E. J. Booth is added to the conference committee; J. H. Brewster and W. S. Warren succeed M. F. Driscoll and F. S. James on the large cities committee; H. N. Kelsey succeeds W. N. Johnson on the committee on publicity and education, and becomes its chairman, succeeding P. D. McGregor; J. H. Lenehan succeeds F. S. James on the traction committee, and Law Brothers takes Mr. James' place as chairman.

The New York Insurance Department has come to the assistance of the policyholders' committee which is making charges against the **American Temperance Life Association** by requiring the officers of the association to furnish a list of the policyholders of the association to the committee, which desires to send out circulars containing the charges preferred. The annual election of officers is shortly to take place, and the wish of the policyholders' committee is to effect a change of management. The present officers are: President, Frank Delano; secretary and treasurer, George W. Godward. The company had refused to furnish the list of policyholders, claiming it was but a veiled attempt to 'twist" the business of the company. A New York daily paper professes to have secured damaging evidence of former questionable practices on the part of some of those connected with the management, as well as present irregularities.

The bill filed by the fire insurance companies operating in Kansas **to test the constitutionality of the Kansas rate regulation law** was argued last week before Judge Pollock in the Federal Court at Topeka. He restricted arguments to one day, instructing the lawyers to continue them through briefs. The State occupied the morning, holding that it had the right to fix the terms on which insurance companies could do business in the State, and the right to fix rates was part of the police power of the State. In the afternoon the companies argued that the State could regulate rates in only such businesses as were impressed with the public interest, and that insurance was not so impressed to a degree justifying State control of the price at which it should sell its product. The State is required to file its brief by October 14, and the companies are given twenty days thereafter to file theirs in reply, but they will be ready before the limit has expired. It is possible that a decision will be given before the end of the year.

The **Illinois Fire Marshal's department,** which is now in an anomalous position, will undoubtedly be legalized by the next session of the Legislature, and it is understood that Governor Deneen will recommend the attachment of the emergency clause to the legislation. A recent decision of the Supreme Court in the matter of the parole board put out of business several other State boards by holding that it was unconstitutional to include in the same statute an act of creation and an act of appropriation. In consequence the Illinois Fire Marshal's department is legally created, but the $60,000 contributed by the companies for its maintenance cannot be touched. Fire Marshal Doyle, however, is going on with his work of education and preparing for active work as soon as the Legislature legalizes the appropriation.

Twenty-four of the fifty-nine men entitled to join the new life members' organization of the **Fire Underwriters' Association of the Northwest** were present at the recent meeting. They were as follows, Mr. Walker being continued as chairman of the tentative organization: H. H. Walker, '71; I. S. Blackwelder, '72; A. J. Harding, '72; N. B. Jones, '72; Walter Scott, '72; Conrad Witkowsky, '72; C. E. Affeld, '79; C. H. Barry, '81; L. J. Bonar, '74; H. Clarkson, '75; H. de Roode, '80; W. F. Hawxhurst, '77; H. H. Heaford, '75; E. M. Hitchcock. '85; George M. Lovejoy, '85; L. S. McMillan, '83; W. E. Page, '81; T. H. Smith, '74; William Trember, '82; D. S. Wagner, '82; H. B. Washington, '82; J. L. Whitlock, '71; George G. Williams, '85; H. W. Wood, '85.

In its formal announcement this week the **Manhattan Life** insurance company states 'with great regret that Dr. William B. Lane, after many years of active and faithful service, has, upon the advice of his physicians, tendered his resignation as vice president of the company. He will continue, however, in an advisory capacity. The following appointments have been made by the board of directors: Mr. Morris W. Torrey, who for the last five years has held the office of secretary, and before that the office of actuary, has been appointed vice president. Mr. Melvin DeMott, who has been with the company for many years, and for the last six years as cashier, has been appointed secretary.

The recent **forest fires in the Northwest** seem to have affected the insurance companies more than those earlier in the summer. Chicago offices of a number of companies have reported losses aggregating nearly $600,000. These figures are not expected to cover the amounts, as the agencies at Spooner and Beaudette, on the American side of the line, were burned out, and little of the Canadian business is reported to Chicago.

The **Detroit Life insurance company** is a new company whose charter has just been approved by Insurance Commissioner Barry. The officers of the company are: President, John D. Chaddock, Detroit; vice president, James E. Sherman, Marquette; secretary, S. A. Court, Detroit; attorney general, F. H. Watson, Detroit; medical director, J. H. Carstens, De-

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troit. The majority of the stockholders are bankers throughout the State.

The **Woodmen of the World** have entered upon a campaign to erect a home for aged and decrepit Woodmen and dependent orphans as memorial to Joseph Cullon Root, who founded the Modern Woodmen of the World, and is now sovereign grand commander of the Woodmen of the World. The memorial is to be erected at Lyons, Ia., the birthplace of Woodcraft, and is expected to cost eventually $300,000.

At a recent meeting of the **William Penn Fire** insurance company of Pottsville, Pa., at which more than 77 per cent. of the stockholders were represented, it was unanimously voted to increase the capital from $100,000 to $250,000. The new stock will be allotted to present shareholders. Pettibone & Krouse, of Philadelphia, have been appointed managing underwriters for the United States.

Reports from **Texas** are to the effect that the **fire record for the first nine months** of the present year equals the total for the entire year of 1909. The fire rating board is now engaged with constructing the general basis schedules which, under the provisions of the new law, are to take effect on December 10. The companies will continue making specific schedules as at present.

The Ætna and other insurance companies are engaged in a suit against the Illinois Central at Jackson, Miss., in an **effort to recover** $5,196.97 for insurance on a Jackson lumber plant which was destroyed by fire that the plaintiffs contend was caused by sparks from locomotives of the defendant company. There are thirty-four negro and six white witnesses to be heard.

The business of the **Guardian Life Assurance Society of Seattle,** which changed during the summer of 1909 from stock to a fraternal basis in the hope of securing more business at a reduced rate, has been **reinsured** in the International Life of St. Louis. The company's business was halted soon after the change on account of an impairment to the capital.

Now that the rating laws in Texas have been changed entirely, two of the nineteen **suits** brought to obtain injunctions restraining the State Rating Board from enforcing the rate reductions promulgated some time since have been **withdrawn,** and all the others probably will be. It is believed that no good can come from pushing this litigation now.

The **Merritt investigating committee** is said to have filed a request with Willis O. Robb, manager of the New York Fire Insurance Exchange, for copies of rating schedules, handbooks and other information used by the exchange in the making of fire insurance rates in this city. The date for taking up insurance affairs has not been announced.

The **Alliance of London** is considering re-entry into this country. The purchase of an American plant is said to be under contemplation, to include the entire executive and agency staffs. In view of the possibility that the Alliance may enter direct a number of underwriters are being thought of for United States manager.

The **German-American Fire** of Baltimore has been granted an injunction restraining the American Steel Company from further prosecuting an action against the insurance company or from instituting new actions. The suits arose from a dispute over the adjustment of a claim for damages to the steel company's property in 1900.

The public will be asked to subscribe to the **new issue** of 100,000 shares **of stock** at £1 each just authorized by the shareholders of the **Glasgow Assurance Corporation** of Glasgow, Scotland. It is hinted that the company intends coming over sooner or later after a share of American business.

The **Minn-dako-wis Tribe** elected the following officers at its annual meeting during the Northwestern meeting: Great chief, J. J. McDonald, of the Connecticut Fire; principal warrior, E. G. Hale, of the German; medicine man, George G. Williams, of the Liverpool and London and Globe.

Iowa fire insurance men are preparing to renew their campaign with the Legislature to secure the **repeal of the Blanchard anti-compact law,** and in exchange will offer the State access to all information upon which rates are based, and anti-discrimination and anti-rebate laws.

On recommendation of the consulting actuary, S. H. Wolfe, the **Midland Mutual Life** announces that policyholders who allow their dividends to remain with the company will receive 4 per cent. interest during 1911 instead of 3½ per cent., the rate previously in force.

The **Woods general agency** of the Equitable Life at Pittsburgh, which is claimed to be the greatest agency organization of its kind in the world, is planning an elaborate celebration for its thirtieth anniversary, Monday and Tuesday, October 31 and November 1.

The New York Insurance Department has granted a license to the **Union and Phenix Espanol** insurance company to transact a fire insurance business. The United States representative is the corporation of Fester, Douglas & Folsom, New York.

The numerous sprinklered **cigar plants** at Tampa are **being inspected** by the Southeastern Underwriters' Association to determine whether the strike there is having any effect upon the maintenance of watchman's service and other features of the risks.

The **Wisconsin State Fire Prevention Bureau** at its annual meeting in Milwaukee elected George R. Crosley, of the Western and British America, as president; George B. Gray, vice president, and W. E. McCullough, secretary and treasurer.

The receivers of the **Mutual Reserve Life** report that on September 30 they had received $796,219 and had disbursed $326,919. They now hold assets aggregating $640,059, including $469,299 in cash. Some litigation is still in progress.

The Western field men of the **North British and Mercantile** were in consultation with Manager E. G. Richards, of New York, at Chicago last week regarding the proposed division of the **Western field,** to be effective November 1.

The organization of the **Missouri Valley Fire** of Omaha will probably now be abandoned on account of the death of

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B. L. Baldwin, who was promoting the company, and who was to be president and general manager.

At the annual meeting of the **Virginia Field Club** the following officers were chosen: President, S. E. Bickford; vice presidents, George McG. Goodridge, C. R. Day; secretary and treasurer, W. R. Robins.

The **New England Mutual Life** reports an increase in business for September of 33⅓ per cent., and an increase for the first nine months of the year over the corresponding period of 1909 of $300,000.

The **Ohio Field Club** has elected B. T. Duffey, of the Royal, as president; W. J. Beggs, of the Continental, as vice president, and Neal C. Rowland, of the London Assurance, as secretary.

At the meeting of the **Chicago Fire Insurance Club** October 25 George M. Fisher, manager of the Western Railway Underwriters, will speak on "Fire Insurance of Railway Properties."

The Detroit **entertainment committee** for the meeting of the National Association of Life Underwriters, after paying all bills, was able **to return** 40 per cent. of the **contributions.**

Union Central Life agents have been notified that the company will not write term policies for minor applicants.

The fall meeting of the **Actuarial Society of America** will be held October 27-28 at the Hotel Sinton, Cincinnati.

The **Reliance Life** of Pittsburgh is contemplating entering the New England States and New Jersey.

The **Buffalo Life Underwriters'** Association has adopted a note declaring against "twisting."

The **Sovereign Fire of Canada** has made application to enter New York State.

Big gains in September are reported by the **Pittsburgh Life and Trust.**

The **Cincinnati Mutual Fire** has decided to liquidate.

The **State Life of Indiana** is about to enter Iowa.

Personal.

AGENCY APPOINTMENTS.

Fidelity and Deposit: Dewick & Flanders, agents at Boston for burglary, plate glass and personal accident and health lines.

General Fire of Paris: H. C. Chase, special agent, with headquarters at Lock Haven, Pa.

General Fire of Paris: Bennett & Root, agents at Detroit.

Illinois Surety: W. R. McDonald, special agent in Michigan.

Massachusetts Fire and Marine: Earls & Johansing, agents at Cincinnati, Ohio; Edwin O. Izant, agent at Lansing, and Harrison B. Carr, agent at Grand Rapids, Mich.

Mr. George E. Haas, Western manager of the Atlas of London, has sent to agents a memorial of the late J. M. Neuburger, Mr. Haas' predecessor. He says: "In his death the company loses a valued servant, a man of the highest moral character and business rectitude, unswerving in his loyalty and fidelity to the interests represented, inspiring like qualities in those who were associated with him, and this department mourns the loss of a much beloved and respected superior."

Mr. Harold G. Howe, who recently went with the Northern Assurance of London as general adjuster and manager of the loss department, was on Tuesday morning presented with a beautiful gold watch from his former associates at the office of the Commercial Union. The watch has a Tiffany monogram, and is appropriately inscribed.

Mr. Arthur T. Ranus, for the past five years connected with the New York Underwriters, has been promoted to be a special agent for the company in Illinois, with headquarters at Decatur. Mr. Ranus is a very capable young man, and will undoubtedly make good in the West. He is a member of the Barebones Alumni Association.

Mr. Charles H. Holland, who is accident superintendent for the Royal in Australia, will be in New York some time in conference with those engaged in the organization of the Royal Indemnity regarding the details of the accident business to be carried on in this country through the medium of the new company.

Mr. A. B. Davis, special agent for the Liverpool and London and Globe in Minnesota, has been appointed State agent for North Dakota, and is succeeded in the Minnesota field by W. U. Knight, who has been an examiner in the Western department office.

Mr. George R. McConnell, special agent for the Central National Manufacturers' Mutual in Ohio, has been appointed manager for the Ohio Farmers in Illinois outside of Cook County. James S. Kemper, who has Indiana, will take the Ohio field also.

Mr. S. C. Waters, one of the best known insurance agents in Central New York, died suddenly at his home at Sherburne, September 26, after an illness of only a few hours. Mr. Waters started in the insurance business in 1866.

Mr. H. Frederick Wiley, for twenty-one years general agent of the Bankers Life of Des Moines at Peoria, has gone to California to go into the banking business, and is succeeded by C. A. Reed.

Mr. H. C. Stockdell, formerly Southern general agent of the Phenix insurance company of Brooklyn, has accepted the position of secretary of the Columbia Fire insurance company of Athens, Ga.

Mr. James S. Barrett, seventy-six years old, president of the German Security insurance company, died in Louisville on Sunday night, October 9.

Mr. A. W. Dorbert, a local agent at Columbus, Ohio, has been appointed special agent for the Caledonian in Ohio and Indiana.

Insurance Commissioner Squires of Utah is dead, after a long illness from Bright's disease.

Casualty and Surety Insurance.

Among the **unusual accidents** this week were these: A Newark, N. J., woman, eighty-three years old, became confused while crossing the street and stepped directly in front of a heavily laden coal wagon, under which she was fatally injured.

At Connellsville, Pa., an empty paint can thrust down over a boy's head nearly caused his death from suffocation before it could be cut off by a tinner. The boy's neck was badly lacerated and blood poisoning may yet ensue.

At Hammond, Ind., a man fell 70 feet from the roof of the new courthouse building, alighting on a pile of roofing tiles, of which seventeen were broken by the impact. He was able to get up and order his gang, which had rushed down to pick him up, back to work.

Unable to rise from his bed on account of injuries to his spine sustained in a railroad accident several weeks ago, a San Antonio, Tex., contractor was suffocated and cremated in his own house when it caught fire during the absence of his family at a circus.

One of two Saratoga Springs boys was killed by the accidental discharge of a rifle while the two were playing at boy scouting.

A Newark, N. J., woman bathed her hands in turpentine to relieve rheumatism, and later, when she attempted to fix the fire, the bandages took fire and her hands were literally cooked.

A fracture of the skull, which necessitated an operation, resulted in an injured man at Galveston, Tex., recovering his memory, upon which he learned that he had fallen heir to half a million during the period of lapsed memory.

At Aspen, Col., a workman put his head and shoulders through the spokes of a wheel to tighten a set nut, when the wheel suddenly revolved, decapitating the man.

At Hartford, Conn., a mysterious death was declared by the medical examiner to have been due to strangulation caused by his heavily starched neckband and collar.

The son of one of the Harvard College faculty was killed

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at Boston while riding his motorcycle, which came in collision with an automobile.

A Newark, N. J., hunter who had wounded a bird while hunting in the Jersey meadows, tried to dispatch it by striking at it with the butt of his gun, and was shot in the neck by the resultant discharge of the second barrel.

The **elimination of "frills"** from accident policies, so far as uniform action on the part of the casualty companies is concerned, **will not be accomplished**. The action of the Fidelity and Casualty this week drove the final nail in the coffin. This company had previously stated it would not join in the attempt unless the Travelers would consent to the proposition to eliminate accumulations. The Travelers declined to do away with what has been one of its most attractive features for years. There will be no further action on the part of the committee on frills. The requirements of the New York and Massachusetts departments will remove the quarantine clause from health policies, but otherwise each company will be free to incorporate as many special benefits in its policies as it pleases. Some companies, however, notably the Preferred Accident, have already eliminated the accumulation features and others will, it is said, do so on their own account regardless of the attitude of others. The policies of these companies contain other clauses designed to be equally attractive without involving so great a percentage of extra expense.

The new Insurance Commissioner of Texas has stirred up the accident companies by holding that practically all their **policies** are in violation of the State laws and **must be corrected** if they desire to continue in Texas. Commissioner Rosenburg holds that the policies conflict with Articles 3378 and 3379 of the Revised Statutes as regards time limit for filing suit and for filing claims and as regards the voidance for misstatements in the application. The law on this point states that to void a policy the misrepresentation must be material. The commissioner rules that the policies must all state a maximum liability and clarify the time limit clauses and registration clause.

An interesting announcement in the *Chronicle* of London is that the Liverpool and London and Globe, acting through its Canadian manager, Mr. J. Gardner Thompson, has secured control of the **Canadian Railway Accident insurance company** of Ottawa. The accident company will be operated, as heretofore, under the management of Mr. John Emo. This company commenced business in 1895. Its authorized capital is $500,000, of which $250,000 is subscribed and $62,500 paid up. Its total cash income for 1909 was $340,995, and its total assets exceed $298,000. Mr. Denis Murphy is president of the company, whose head office remains at Ottawa.

The stockholders of the **Travelers Indemnity Company** have voted to increase the capital stock from $500,000 to $1,000,000. The new stock will be offered at a price which will make the new capital and surplus in excess of $1,300,000. In view of the recent invasion of the casualty field by surety companies it is reasonable to suppose that the Travelers is planning to meet competition on an equal basis, and that the company will in the near future announce its intention to write surety bonds. The directors will meet on November 14 to confirm the action of the stockholders.

The **Alabama Fidelity and Casualty** of Montgomery, Ala., started writing policies October 1. It has an authorized capital stock of $300,000, of which $125,000 is on deposit with the Alabama department. This is $25,000 more than the law requires. Thomas E. Lovejoy has been elected president, J. S. Dowell and J. W. Kelly are vice president and secretary, Frank N. Julian, until lately Alabama Insurance Superintendent, is manager, and Howard C. Forbes is managing underwriter. All Southern States will be entered shortly.

The *Bulletin* of the **Massachusetts Accident** points out that an important thing in writing applications is to be particular as to whom the death benefit is made payable in case of accidental death. If the policy is made payable to the estate then the claim has to be held up until an administrator is appointed by the court. If the beneficiary is a minor then it is necessary to wait until a guardian is appointed by the court. Changes of beneficiary should be attended to at once.

The New York *Press* of yesterday says that an **agreement as to** the guaranty of **cotton bills of lading** has been reached between American and English bankers by the adoption of a plan to organize a new guaranty company, which shall guard against former bad practices for a consideration of 6 or 7 cents per bale. Details are lacking as to who will organize the new company or when.

The frequency with which physicians have been called upon to treat fractures of the wrist or arm resulting from the "kick-back" while cranking up an auto has brought about the coining of a new medical phrase, **"chauffeur's fracture."** Accident insurance companies which have been paying claims so occasioned will also add the term to their vocabulary.

Applications to organize **new national banks** have been approved by the Comptroller by the Currency as follows: The Marion National Bank of Marion, Pa., capital $25,000; the First National Bank of Puente, Cal., capital $25,000. A charter was issued to the National Bank of North Hudson at West Hoboken, N. J., capital $100,000.

The latest "brain-child" of Chauncey S. S. Miller, assistant to the president of the **Continental Casualty**, is the **accident insurance "Primer,"** in which the "A-B-C" of the business is set forth clearly and interestingly. This is an important addition to the series of helps published in the interests of the Continental's agency force.

The city of Bridgeport had a contract with the Bridgeport By-Products Company for the building of an establishment for the reduction of garbage. The company was bonded by the **Ætna Indemnity**, which is now **co-defendant** with the company in a suit to recover $10,000 damages, for failure to fulfil the contract.

The **Chicago Board of Surety Underwriters** has elected the following officers: President, W. Herbert Stewart, of the American Bonding; secretary, T. W. Thomson, of the United States Fidelity and Guaranty; treasurer, S. H. G. Badgerow, of the Title Guaranty and Surety.

Indemnity, the publication of the **Preferred Accident**, tells of the accidental death of a gentleman who was mowing the grass on his lawn, when he stepped on the end of a broken high power electric light wire which lay concealed in the grass, and was instantly killed.

One effect of the present agitation and uncertainty about whether 1911 **accident policies** will be devoid of the present frills has been a rush to secure policies before the end of

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1910 in order to get the benefit of all the special benefits for at least one year.

Notice of a meeting of the **Burglary Insurance Underwriters' Association** on Tuesday, October 25, has been given. The meeting will be held at the office of the New Amsterdam Casualty Company.

Revived **rumors** of the proposed **consolidation** of the Maryland Casualty with the American Bonding Company have been vigorously **denied** this week by the executives of both companies.

The **Continental Casualty** has set a mark of **$4,000,000** in premiums this year for its nearly 5,000 agents. So far this year it has been paying claims at the rate of 45,000 a year.

The **Massachusetts Accident** has just been admitted to Illinois, where Robert B. Thorne has been appointed State agent, with headquarters in Chicago.

The **Pacific Surety** has been licensed by the California department to write burglary insurance in addition to its other lines.

The **Surety Association of America** was in session at the Waldorf-Astoria Thursday and Friday this week.

The new **Royal Indemnity Company** may not be ready for business in the casualty field for six months.

Miscellany.

Fraternal Forces Join to Urge State Regulation—A United Front Expected.

CHICAGO, October 12.—Preparations by the federations of fraternal insurance society members numbering over 6,000,000 throughout the United States to make an open active effort in all State legislatures that convene this winter in support of the "insurance commissioners' bill" have been revealed by the executive committee of the National Fraternal Congress. Overtures from the Associated Fraternities of America to the Congress to hold a joint meeting of their executive committees to prepare for the legislative sessions were considered and the executive committee of the Congress agreed to such a meeting, which formally closed the breach between the two federations.

A resolution was adopted by the committee of the Congress which was as follows: "In view of the adoption of the uniform bill by the insurance commissioners and of the fact that the conditions calling forth our resolution heretofore adopted, refusing further conference, have ceased to exist, this executive committee is now ready to accept the invitation to meet in joint conference with the executive committee of the Associated Fraternities of America."

For the first time since fraternal insurance was established in the United States the memberships will present a united front in urging specific legislation relating to their business. The measure adopted as a uniform bill by the National Convention of Insurance Commissioners, September 27, at Mobile, providing for the safeguarding of fraternal insurance, which now aggregates about nine billion dollars, will be urged. This measure requires that members and insurance departments be given full information concerning the financial affairs of every society and gives the departments supervisory power adequate to prevent mismanagement, mergers or insolvent conditions.

United effort by the interest to be regulated for legislation proposed by public officials is regarded as unique, affording a wholesome example in legislative methods. The desire expressed by leaders of the fraternal federations is to make the action in every State as nearly unanimous as possible.

In New York and Massachusetts the attitude of the insurance commissioners has not yet been determined, as Commissioners Hotchkiss and Hardison sought to make the bill more drastic than the Insurance Commissioners Convention decided was necessary. Those commissioners were charged on the floor of the convention by Chairman Reau E. Folk, of the fraternal committee of the commissioners, with seeking by their provisions "to put fraternal insurance out of business" in their States.

President Hynes, of Buffalo, said for the Fraternal Congress:

We are very much gratified at the outcome of the insurance commissioners' convention at Mobile, as reported to our executive committee by C. E. Piper, who was the representative of the Fraternal Congress in the conferences there. The desire of the Associated Fraternities to meet with our committee was evidence that our differences have all been overcome, and we assume that from this time forward the memberships of the societies in the Associated Fraternities will stand shoulder to shoulder with our memberships in support of the insurance commissioners, and of the bill just as it finally was agreed upon at Mobile. The tentative agreements for the Congress made by Mr. Piper and Mr. Landis have been approved by our executive committee and fraternalists shall now go to the legislatures united upon the wholesome measure proposed for State supervision and for publicity of accounts and condition.

Fraternal insurance in general gains immeasurably by this stand, for it assures the perpetuity of the institution. The elements of weakness seized upon by old line companies will be eliminated, and this done not only voluntarily but with the active aid and support of every reputable fraternal insurance society of importance in the United States.

Loyal fraternalists will have in this situation in nearly every State in the Union the opportunity to lend their influence in behalf of his society, and the insurance it has issued, and at the same time aid in the intrenching of the position of fraternal insurance as a beneficent institution for the protection of homes throughout the land, which otherwise could not be protected because of the cost of old line insurance.

The date for the joint conference will be October 22 or 28. Much credit is due the chairman of the committee on fraternal insurance of the National Convention of Insurance Commissioners for his active work in bringing fraternal regulation into practical form.

Columbus Casualty Discontinues.

There is probably no historical significance in the fact that the official announcement from Secretary Tod B. Galloway, of the Columbus Casualty Company, stating that his company had decided to discontinue business, arrived October 12, now celebrated as "Columbus Day." The date, however, seems to mark both the landing of the distinguished discoverer and the "landing" of the insurance venture which bore his name. The tone of the communication appears to indicate that the company had succumbed to "savages" as vengeful and relentless as those portrayed on its stationery. The letter follows:

COLUMBUS, Ohio, October 11, 1910.

The Weekly Underwriter:

The following letter addressed to the Superintendent of Insurance of Ohio is self-explanatory, and we would be pleased to have you insert the same in your columns:

COLUMBUS, Ohio, October 8, 1910.

Hon. C. C. Lemert, Superintendent of Insurance, Columbus, Ohio:

DEAR SIR—In view of the fact that past and present conditions have made it impossible for this company to further continue its business with the hope of ultimate profit, it has been deemed best for the interests of all concerned that the company should discontinue business. For your information we enclose herewith a copy of resolutions adopted by the board of directors at a special meeting held in the offices of the company on Saturday, October 8, 1910. We are pleased to inform you that in conformity with these resolutions the company has cancelled all of its outstanding policies by the return of the unearned premium to the assured, has adjusted and paid all of its outstanding claims and all other indebtedness. It has also cancelled all of its contracts with agents, and advised them to solicit no further business for this company, nor to collect or receipt for any further premiums to its account. In accordance with the action of the board of directors, all the salaries of the executive and administrative of-

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ficers were discontinued on October 8, 1910, and the expense of all office help discontinued. In view of the fact that the company has cancelled all of its outstanding policies, paid all of its claims and other indebtedness, cancelled its contracts with agents, and by action of the board of directors has ceased to do the business of insurance, we are returning herewith the certificate of authority issued by your department. * *

Very truly yours, THE COLUMBUS CASUALTY COMPANY,
(Signed) S. D. Hutchins, President.

In conformity with the resolutions referred to, the Columbus Casualty Company has discharged all of its liabilities and obligations to its policyholders and all other creditors and has returned its license to do business to the Superintendent of Insurance of Ohio. The assets of the company in excess of $80,000 will be distributed to its stockholders.

Very truly yours,
TOD B. GALLOWAY.

A Toledo news dispatch bearing date of October 12 says:

At the request of Superintendent of Insurance Charles C. Lemert, Attorney General U. G. Denman today filed a suit in ouster against the Columbus Casualty Company, in the Franklin County Circuit Court. The court is requested to wind up the affairs of the concern, and an injunction was granted restraining the company from disposing of the assets.

The suit is the result of the actions of the officers of the company, who last Saturday proceeded to terminate the affairs and appoint three trustees to close the business. The petition filed today alleges that the capital of the company, which is $100,000, is impaired to the extent of about $83,000.

The State Insurance Department for some time had had more or less trouble with the company, in that upon examination it was discovered that the capital was impaired to the extent of $26,000, but this did not appear in the report filed with the department. This was straightened up, and it developed later that there was an impairment of $12,000.

Upon several occasions efforts were made by the officers to put the company on a legal basis, but the Attorney General held that the methods were not in accord with the insurance laws of the State.

Results of the Examination of the Shawnee Fire Insurance Company, of Topeka, by Actuary Wolfe.

Following an elaborate report on the examination of the Shawnee Fire Insurance Company, of Topeka, S. H. Wolfe, the examiner, reaches the following conclusions:

I have attempted to make the foregoing a bare statement of facts, but it is proper that I should summarize the results as they appear to me. I am of the opinion,

First—That on December 31, 1909, the company was insolvent.

Second—That this condition of insolvency was hidden from the supervising officers of the various States by a falsification of the sworn annual statements filed with them.

Third—That the principal item of falsification was the statement of the unearned premium account, which was shown as a figure approximately $500,000 lower than it should have been.

Fourth—That the books of the company showing the unearned premium account were correctly kept.

Fifth—That the accountant who had charge of this work frankly states that a false statement was prepared and claims that he was instructed to prepare the statements in this untrue way by James W. Going, vice president of the company.

Sixth—That a similar condition has maintained for a number of years.

Seventh—That it will be found that the annual statements filed with your departments have been signed by James W. Going, vice president and manager, and H. S. Morgan, secretary.

Eighth—That a careful inquiry should be made of the payments in excess of his salary which have been made to James W. Going, with the particular object of determining the legality of the resulting disbursements.

Ninth—That a careful inquiry be instituted to determine the amount of money which has been borrowed upon the notes of the company.

Tenth—That a proper inquiry should be made of the payment of dividends to stockholders, which for some time past have been at the rate of 15 per cent. per annum, it being apparent from the foregoing that earnings of the company did not justify such a disbursement.

In the body of the report Mr. Wolfe mentions an interview with Mr. Mercer, the head of the accounting department, who admitted that he had become aware of a discrepancy between the annual statements and the company's records and had called it to the attention of Vice President Going, and also an interview with Mr. Going, who said that Mr. Mercer had informed him that he was unable to reconcile the reserve figures, but that he believed now that a satisfactory explanation would be found. Mr. Wolfe then says:

It became necessary, therefore, to interview Mr. Eberle, the former accountant, who had prepared the annual statements for a number of years, and on the night of September 5, 1910, he made a statement which may be summarized as follows: He was aware that the statement as filed with the departments was false, untrue and not in accordance with the books of the company; that he had prepared the correct unearned premium account, and upon presenting it to Mr. Going had been informed that the figures must be changed in order that the company might show some surplus; in accordance with these instructions he had reduced the liability on the various groups of policies so that the resulting figures would reduce the liabilities to the requisite figure, but had kept the books and records of the company absolutely correct, and had not tampered with them. It will be noted that Mr. Eberle kept his records correct, and has made the statement that in no way did he attempt to mislead the officers, the incorrect statement being prepared by the direction of Vice President Going. Throughout this inquiry both Mr. Mercer and Mr. Eberle answered questions fully and frankly, and conducted themselves throughout in an honorable manner. I make this explanation lest the stigma of this unfortunate condition of affairs should attach in any way to them.

Regarding the condition of the company on July 31, 1910, Mr. Wolfe says: "It is apparent from the above that the assets amounted to $1,478,268.26 and the liabilities to $1,720,300.29, showing a deficiency of $242,032.03, upon the assumption that the assets are worth the amounts at which they are carried."

Report of the New York State Insurance Department on Professional Promoters' New Insurance Companies.

The New York State Insurance Department, in pursuance of its purpose announced last week, has published the results of the examinations of three holding companies and their subsidiary companies, made so far by the department examiners:

UNITED INSURANCE COMPANY.

There has been filed in the New York Insurance Department a report of an official examination of the United Insurance Company of Arizona and its proposed subsidiary, the United Fire Insurance Company of New York. The latter company is as yet merely a name, it having been incorporated under the New York law in November, 1909. Its capital stock is to be $200,000, but none of such capital has been paid in, nor has it taken any steps looking to the beginning of business.

The United Insurance Company of Arizona is a promotion company, organized under the laws of that territory, in December, 1908. Its articles provide for a capital stock of 10,000,000 shares, of the par value of $1 each, of which, as appears from the examination, 100,000 shares were subscribed for, prior to the organization, by one O. L. Van Laningham and his associates, though, as appears, not a share has yet been issued pursuant to such subscription and no call has ever been made upon the alleged subscribers to take up their allotments. In this connection, the examiners note the interesting fact that, though this company hails from Arizona, the name of its birth State does not appear in its seal, stock certificates or literature, the words "New York—Chicago" being used instead, apparently to give the impression that its home office is in one of those financial centres. It is also noted that, though this company's charter requires that it have not less than eight directors, but seven were elected at the annual stockholders' meeting in January, 1910, and that only five of the seven are apparently qualified directors, the others not being stockholders.

As set forth in its prospectus, the United Insurance Company of Arizona proposed to transact all classes of the business of insurance in every State of the Union by four subsidiary companies—fire, life, marine and casualty, of which the United insurance company was to be the holding company, and the others to be known as the United Fire, the United Life, the United Marine and the United Casualty. While

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the parent corporation had been in promotion for over a year and a half, thus far only one subsidiary company, the United Fire insurance company of New York, has been projected. This company took out its preliminary incorporation papers under the laws of this State. It is still in process of promotion by selling stock. As to its methods in this respect the examiners say:

The United insurance company has had at various times almost 200 stock salesmen in its employ. Some of these receive a salary of $150 a month and a commission, generally 15 per cent. on direct sales, and an over-riding commission of 2½ per cent. to 5 per cent. on sales by men working under their direction. The non-salaried men work on a straight commission basis, usually 15 per cent. The commission was based on the selling price, and not on the par value of the stock. * * The commissions, salaries, traveling expenses and advances to salesmen amount to 140 per cent. of the par value of stock sold to date. This is exclusive of all other expenses and disbursements. The total cost of selling the company's stock is 242 per cent., or an expenditure of $2.42 for each $1 share sold.

The company has an office at 100 William street and another in Chicago. An investigation of its finances as of July 1, 1910, revealed that its total receipts from stock sales (including $68,000 in notes still on hand) were $245,000; actual cash received, $176,000; cash disbursed for commissions, salaries and expenses, $158,000; present cash assets, $18,000; ratio of disbursements to total sales 64 per cent.; ratio of disbursements to cash sales 90 per cent.

Since the publication by the Insurance Superintendent of the report of the examination of the subsidiary United insurance company, the officers have addressed a communication to the press commenting upon the findings of the department, in the course of which they say:

In the first place, much of the report is devoted to O. L. Van Laningham, formerly connected with the United—and his history as a promoter is dwelt upon at length. Van Laningham severed his connection with the company nearly a year ago, and this fact was shown to the Superintendent of Insurance. The $15,000 compromise with Van Laningham adversely commented upon was for money actually advanced the company by him, and was legally and in good faith due him. This transaction was fully explained to the insurance examiner, who did not question its bona fides.

The stock salesmen feature is another subject of attack. The plan of organization adopted by the United was to sell its stock to those who were to be its local representatives, thus building up at one and the same time a large agency force, prepared to immediately furnish the company a large volume of business as soon as its organization is completed. When that was accomplished, and approximately 900 agencies established in forty-two States, stock salesmen were practically dispensed with, and the officers turned their attention to interesting large capitalists—a work that is now progressing satisfactorily. In addition to this agency force over 200 bankers in the several States are interested as stockholders of this company and afford to it their local influence.

The statement of assets and liabilities contained in the circular is both unfair and misleading. In treating of expenditures the examiner has entirely omitted reference to the most valuable asset which any insurance company possesses, which was acquired by a large part of the expenditures, that is, the agency organization (in this instance nearly 900)—everyone under signed contracts to represent not only the fire branch, but also the several other branches of insurance which it is proposed to conduct. A conservative estimate of the cost of securing these agencies, based upon thirty years of underwriting experience, would be at least $90,000. This expense has been charged to organization cost, while it should be charged to underwriting expense. Deducting the above item, the organization expense is largely reduced. No credit is given in the report for the wide publicity given the United's plans, which are generally known throughout the United States, and for the accruing benefit therefrom. The expense of publicity has entered largely into the general expenditures, and a proper credit should be accorded.

After an exhaustive examination of the company, extending over two weeks, the Superintendent of Insurance is unable to point to the issuance of a single share of watered, bonus or promotion stock, or to one dollar of graft or misapplication of funds.

The statement is signed by Ferris E. Shaw, president, and Stewart Goodsell, secretary.

PROTECTIVE HOLDING COMPANY.

The Protective Holding Company was organized in New York last year to promote the creation of several large fire insurance companies and combine them for general business.

The promotion methods of the Protective Holding Company were frowned upon by the Insurance Department, and on account of criticism by the examiners the method of selling stock by personal interviews has been abandoned and the company is at present doing a mail order business through the firm of Wightman & Dudley, of 439 Fifth avenue, New York city.

The investigation of the holding company included an examination of the Protective Fire insurance company, recently incorporated, for the prospectuses of the holding company state that the money derived from the sale of holding company stock is to be used in financing the Protective Fire insurance company. The latter, says the Insurance Department, is as yet only a name, the funds with which it is to be supplied through the promotion of the holding company not yet being sufficient to complete the organization of the operating company.

The Protective Holding Company's methods, says the report, do not differ greatly from those of other companies recently investigated. The financial exhibit of the company shows that it has already disposed of 10,175 shares of stock at a total subscription price of $213,500. In cash for the sale of this stock the company has received $66,504, and the balance is secured by promises to pay.

The department states that the company officials have arranged to carry on the promotion on a more economical basis and hope to reduce the expenses of organization to an average of 15 per cent., but even on this basis, says the report, if the $400,000 company becomes, as the promoters hope, a $5,000,000 concern in the future, it will have to be promoted at an expenditure to its subscribers of between $600,000 and $750,000. Among the investors who have placed money in the holding company are ninety-five postmasters. Many other investors have been made company agents. The president of the company is Frederick S. Dudley, of New York, and the secretary William H. Horton. The secretary-treasurer and assistant treasurer have headquarters at Syracuse, N. Y.

MANHATTAN FUNDING COMPANY.

Another of the promoting companies recently examined by the department is the Manhattan Funding Company, a New York corporation, organized in March last apparently for the purpose of accumulating sufficient funds with which to launch the Life and Casualty Company of New York, an insurance corporation incorporated at the same time.

The report of the examination says:

This promotion reveals the usual features which have been developed by the recent investigation, in that there is a stock selling company—the Manhattan Funding Company—an insurance company—the Life and Casualty Company of New York—and a contract between the two whereby the former shall control the underwriting business of the latter. Superintendent Hotchkiss says. "Unlike the United Insurance Company and the Protective Holding Corporation, however, the promoters of the Manhattan Funding Company appear to have vested in themselves, without any money payment therefor, a majority of the total capital stock of $300,000, with the intention, as stated by the examiners, to finance the insurance company with the proceeds obtained from the sale of the minority stock of the Manhattan Funding Company." as to which the examiners comment: "This plan will enable the officers and directors, who paid nothing for their stock, to control both companies."

Walkup, Baldwin & Co., of No. 27 William street, New York, seem to be the active promoters of the Funding Company, whose stock was all issued to Morton L. Mortimer, of No. 92 William street, New York, a consulting actuary, in exchange for his orig-

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inal plans of an old line stock life insurance company, business forms, tabulated calculations, etc., only, as stated by the examiners, to give a nominal value to such stock, which was then, it seems, immediately returned to the treasury, and a majority of the same distributed among the officers and directors of the enterprise as a bonus for services rendered.

Discussing literature sent out by the Life and Casualty Company on the earnings of other life insurance companies, Superintendent Hotchkiss adds:

The deceptive character of such literature will be appreciated when it is pointed out that the companies referred to are selected, that the smaller and less prosperous companies are ignored, and that the failures, both in life insurance and in casualty insurance companies since those classes of insurance became prominent features in modern life, are omitted.

Among the other holding companies examined by the New York department, reports upon which have not yet been made public, are the following:

The Fire Securities Company, and its subsidiary, the First National Fire insurance company of Pennsylvania, the former being a New York corporation.

The Trinity Finance Company, incorporated under the laws of Maine.

The Hanover Finance Company, incorporated under the same laws.

The Independent Surety Company, a New York corporation.

The Government Surety and Casualty Company, also a New York corporation.

The Reliable Life Assurance Company of Indianapolis.

The Columbia Guarantee Corporation, also a corporation of New York.

Shortly before the new law of New York, providing for the investigation of this class of companies went into effect, July 1, two companies which had been selling stock here, the Consolidated Life Securities Company of Illinois, with its subsidiary, the Consolidated Life Insurance Company, and the National Life Assurance Company, of Wilmington, Del., retired from the State. The latter has an authorized capital of $1,000,000, and the department claims that a considerable portion of its stock is yet unsold.

Mr. Mix on Indifference.

The October circular issued by General Agent Robert J. Mix, of the New York city agency of the Prudential, to his men is worth reproducing for the benefit of all life insurance solicitors. With the exception of the capital letters, with which it is generously accentuated, the circular is as follows:

Have I canvassed not less than four hours every business day since January 1, 1910?

Am I providing my family with as good a living as I would like to?

Am I building up an interest in my business which will help to take care of me in the event of my being disabled for any reason?

Have I done my very best thus far in 1910?

These are pretty serious questions, are they not, my friend? Maybe if you were to set down your answers to them you would not enjoy reading what you had written. But isn't it your duty and mine to put these questions to ourselves, and to answer them honestly and fairly? Don't you and I owe it to our families as well as ourselves to take these brains and bodies of ours and make the most of them in whatever vocation we have chosen for ourselves? Take my first question, for instance: "Have I canvassed not less than four hours every business day since January 1, 1910?" How many of you can answer "Yes" to that question? Yet, when you come to think of it, how absolutely true it is that every man who has a Prudential contract should be able to answer that question in the affirmative! How can you expect to do a good business if you fail to spend an average of at least four hours a day in seeing people and trying hard to persuade men to buy life insurance?

I tell you, friends, it pains me to the very soul to see around me so many good men and true—fine fellows, who love their families, who know the life insurance business from A to Izzard, and who are not accomplishing one-quarter of what they ought to expect and require of themselves.

What's the remedy? Why, I don't know how you're going to remedy such a condition of affairs as that unless you can make a man ashamed of himself—unless you can arouse his ambition and wake him up to the point where he will acknowledge that he has done wrong and will make a mighty resolution to do a whole lot better!

While you, my brother in profession, are reading these lines, there are within easy reach (at the least calculation) 1,000,000 of people—probably 2,000,000—who are insurable, and whom you are at perfect liberty to approach with the best life insurance proposition, all things considered, that there is on the market today. Think of it—one or two million opportunities for you—every day! How can you permit yourself to waste these opportunities? Why is it that you do not begrudge every half hour that you have to spend in your office? I say to you frankly—I cannot understand it! There's a big living—there's a competency—for you in this business—with the Prudential! Why don't you insist upon having it—why don't you eagerly adopt every means that is suggested by the manager or others for increasing your effectiveness? Why don't you? Oh, my friend, let us quit fooling with this business—let us look upon our life work as a serious matter—not as though it were a matter of indifference or something in which we were only half interested! You have a noble mission to perform! Make no excuses to yourself or others, but, from this moment, resolve that you will throw yourself into your work heart and soul, as you have never done before—resolve that your record for the closing months of this year shall in a large measure atone for past shortcomings, and renew those resolutions every day!

You'll be surprised at the results!

Protest Against the Application of the New Accident and Health Provisions Law to Renewals.

It having been intimated that the New York and Massachusetts State Insurance Departments may rule that the terms of the standard provisions laws for accident and health insurance policies in those two States will apply to renewals of policies which were issued prior to the laws going into effect; to wit, January 1, 1911, President Seward, of the Fidelity and Casualty Company, has written a brief in opposition to such a ruling, which undoubtedly expresses the sentiment of accident underwriters generally. Before any definite action will be taken a hearing on the subject will be granted by the insurance commissioners, which it is hoped will have the effect of preventing the ruling. President Seward in his brief says:

A mere statement of the question reveals at once to anyone acquainted with the business the seriousness of the suggestion and the many difficulties of carrying out such a ruling. We think it is manifest that neither the insurance commissioners who originally suggested this law nor the legislatures which passed it had any thought of making such a requirement. This legislation was suggested by the Insurance Commissioners' Convention, and was the subject of long and careful consideration, first, by the insurance commissioners themselves; second, by the commissioners in consultation with representatives of the insurance companies, and finally by the insurance commissioners among themselves in the light of the previous discussion. An enormous amount of accident insurance exists under the form of renewal of previously issued policies. With this fact the commissioners were thoroughly familiar, and could not have lost sight of it. If they had intended to include renewals of existing business within the provisions of the act, they would certainly have so stated explicitly. They have not so stated, but on the contrary have confined the law to policies to be issued. Throughout the long discussion of this proposed legislation, a discussion which extended over about two years, no one, as far as we can recall, ever suggested that the provisions of the proposed legislation should apply to renewal of policies previously issued. That under these circumstances no such provision was inserted in the bill shows clearly that it was not intended.

To hold that a renewal of a previously issued policy is a policy of insurance within the meaning of this law leads necessarily to the conclusion that there can be

NO RENEWAL

of any accident policy hereafter. If a renewal is to be treated as a policy, then the provisions which the law says must be in

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a policy must be printed in every renewal hereafter. The renewal must be issued upon a signed application, and must conform in all respects to the law and to the insurance commissioners' rulings. Would not this practically make it necessary to issue a new policy? A renewal which contained all these things and complied with these provisions, would be very nearly as long and as bulky as an original policy. There would be no advantage in using the renewal form. Consequently, the practical effect of such a ruling would be to prevent the use of renewals as we now know them. Anything that would prevent the use of renewals would mean the revocation and overthrowing of a course of business that has been established for many years, and has been found satisfactory to the companies and to the insuring public, and has never been found productive of any harm. It will make necessary a procedure that will add greatly to the cost of conducting the business. This is a reductio ad absurdum, but it necessarily follows if the words "policy of insurance," as used in the law, mean a renewal.

Such a ruling would greatly increase the company's expense. The increased expense to the company of such a construction of the law would not merely be the expense of clerical work. It would necessitate the sending of a solicitor to each policyholder in order to explain the change of form, and to secure a signed application. Even this would not be all. It is doubtful whether a solicitor whose business is considerable could promptly visit one-half of his old clients for such purpose. There would thus be great sacrifice of his time and a great loss to the company by reason of the many policyholders that the solicitor either could not see or find. There would also be a heavy loss of the new business that would ordinarily come in through that solicitor, because of the time that he would have to give to recanvassing the old business. There would also be many cases in which the solicitor would not be able to find the policyholder, by reason of his absence from his home or his customary place of business; or, perhaps, from the country. In short, the loss of business to the company, by reason of such a ruling, would be very great. This is not a matter of speculation. It can be stated with absolute accuracy. * *

Obviously, a great shock will be given to the business by such a ruling, and a great shock to insurers. It is safe to say that, saying nothing about expense, the business of the company would be greatly cut down, and the policyholders would be seriously injured. Furthermore, there has been no demand on the part of the policyholders for any such ruling, or for any change from the past custom in respect to renewals. There is no allegation that a policy of accident insurance may not be renewed under any necessary or reasonable interpretation of the standard provisions law. There is no reason why added work and expense should be put upon the companies and the solicitors. There is no reason why a procedure should be demanded that will deprive many policyholders of insurance. It is not unreasonable to ask that the law, in its essence as it was enacted, be left for awhile, so that results may be observed rather than provisions be added by arbitrary ruling, which experience does not sanction, and which will certainly be productive of harm.

Relation of Life Insurance to the State.

From a prize essay on this topic, written by Mr. J. S. Mathews, of Charlottetown, Prince Edward Island, Canada, who thus won the E. R. Machum medal, we reproduce the concluding paragraphs:

No factor in the economic life of the nation has developed more rapidly than life insurance. Its relation to the State has of late years become distinctly defined. True, the State has always taken a paternal interest in insurance, even when the latter was in its cradle. Later the State became the self-appointed guardian to keep in curb the youngster's pranks, and by a judicious maintenance of government reserve it aimed to protect the public from its capricious whims. And now, when insurance has been invested with the degree of manhood, when it has entered upon its inheritance, we find it has linked arms with the State in the advancement of the general good. So closely are the interests of the two identified that, as is well known, insurance has been made compulsory in some countries. In our own Dominion a system of Government annuities has recently been worked out. And why? Because it is already recognized that one of the great problems in many countries is how adequately to provide for the pauper element, but that a more practical problem for us is to prevent as far as possible the existence of the pauper element. The best possible solution of this problem is to lead the individual to become self-reliant, frugal and industrious during the full enjoyment of his powers, and thus to make his old age independent. Life insurance, more than anything else, inculcates these virtues, and thereby relieves the State of burdens. These are not burdens of poverty alone, but of crime also, for someone has truly said: "Poverty means pauperism, pauperism crime."

In Canada, with its 7,000,000 people and over $800,000,000 of insurance, there has been paid in the last twenty-five years about $200,000,000 to the insured or their beneficiaries. Supposing that each thousand dollars thus paid benefited directly a family of five persons, 1,000,000 of our people have already shared in its advantages. Many of these would otherwise have been a burden to the State.

Multitudes of foreigners have been, are now, and will be flocking to our shores. Upon the attitude of these people toward insurance will depend largely the successful solution of many problems with which the State must deal in the not distant future.

In the development of the country and the upbuilding of the State, life insurance funds now wield a mighty force. It is difficult to realize what a great constructive power life insurance has become. In Canada a vast transcontinental railway is being rapidly pushed to completion, a new Hudson's Bay route to the marts of the Old World is likely to be established. Canals, waterways, branch railways are being hurried forward with an aggressiveness that is amazing, in order to keep pace with the development of the country. For has not Lord Strathcona prophesied that at the close of the present century Canada will possess a population of 80,000,000, and Sir Edmund Walker avers that she is bound to become the storehouse of the world. And in the United States they are "severing the Western hemisphere at Panama to make possible the dreams of Columbus." Millions are soon to be spent on inland waterways. In New York State a barge canal is being constructed, and $50,000,000 is being spent on good roads. Other costly projects are in contemplation, all made possible because of the conserving power of insurance, which has proved the most effective means of accumulating money, and therefore one of the foremost in contributing to the welfare of the nation. It has become one of the greatest safeguards of society, one of the ablest allies of the State.

Through the Company's Eye.

(Manager of F. A. Dickey, of Security Mutual Life of Binghamton, in Security Agent.)

When an agent solicits insurance, he has two things to accomplish: First, satisfy his man that the company he represents is second to none. Second, get his name on the dotted line, and the fewer words that will accomplish this end the better.

Two years ago I went into a small town in Missouri to write a gentleman whom I knew to be well insured, but able to carry more. I went there for the purpose of increasing his line. Not IF I could see him, but I went there to write him. I called at his office and presented my card in person. He remarked, "I am pleased to meet you, Mr. Dickey, but I will be quite frank with you. I will not carry another dollar's worth of insurance. I have important business with this gentleman (referring to one who had entered the office since my arrival) and you will have to excuse me." I replied, "Certainly, Mr. ——," acknowledged the pleasure afforded by the meeting and left him after a hearty shake. I did not leave town on the next train, because I learned that there was another train that left; in fact, I was told that there was a train that left the town every day. So I concluded to remain all night and sleep on a cot in the hall of the "Lumberman's Inn." After breakfast next morning I began to figure out the best way for me to make another call. I concluded that about ten o'clock Mr. H—— would have finished reading his morning mail, and so made up my mind to call on him again at that time, which I did. To my surprise he seemed glad to see me, and asked me to have a chair. He then asked me what I knew about a certain company. I spoke in the highest terms of the company, following which he said he had decided to take out about $10,000 with that company. Well, to make a short story of it, I secured his name on the dotted line in about ten minutes, and left his office a stern believer in the remarks once made by an old Irishman. This Irishman had owned a gold mine in which he spent years of time and all of his money in seeking a fortune; but, despairing at last, had given it up. Later the mine fell into the hands of other prospectors, who after digging but one foot struck a vest fortune. On learning of the riches that had been found by simply digging down one foot, the old Irishman remarked, "If I ever own another mine I will never stop digging until I have dug one foot further."

So it is with many an insurance agent, if he would not get discouraged so easily and never stop until he had dug one foot

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further, he would accomplish more. Some agents do not believe in working a full day, much less do they believe in night work. I write many applications after retiring. I mean by this that I figure out in my mind what I am going to do tomorrow—that is, I plan my route. I know then exactly where I am going and whom I am going to see. Some insurance men go out on the street and after turning around two or three times, start in the direction they are facing when they stop. I sometimes get side-tracked from the route I had planned by the pursuit of an application I hadn't thought of the night before, but I don't mind that.

(*Pacific Mutual News.*)

Who profits by lapses? When a life insurance policy is sold the interested parties are the insured, the agent and the company. The same parties are also interested in keeping the contract in force, but in the event of a lapse the question arises—who profits by such a lapse?

It should be borne in mind that a large portion of lapses take place in the early years, and this must be considered in determining the profits, if any, from this source.

The initial expenses in placing a life contract on the books are very heavy, and a number of such expenses are incurred but once. Companies have not been able to pay these initial expenses and the death losses, and to set aside the reserve from the first year's premiums. The agent, likewise, is usually under more or less expense in closing his prospects, and invariably looks to his renewals for his real profits. The insured pays the same premium for life or for a limited period of years. The cost to the company of carrying his insurance because of the advancing death rate in his class increases with each year. Under the level premium plan, his premiums in the early years after the first pay the current costs and provide for a fund for the later years when the premiums will be less than the cost at that time. In view of the large initial expenses, he does not receive any refund or surrender value if the policy lapses before the end of the third year. Therefore, none of the interested parties profit by lapses.

While it is true that in the later years lapsed contracts in the case of deferred dividend policies contribute toward the profits of the surviving members, it is not the source of profit that it has been heretofore where the policyholder forfeited his entire reserve, as well as his dividends, upon lapsation. In this matter of lapses it is interesting to note that our lapse ratio in 1909 decreased about 27 per cent. over that of the preceding year. This represents one of the strongest features of our recent statement, and also reflects improvement in the character of our field force.

(*Fireman's Fund Record.*)

"Permission granted for $..... total insurance concurrent herewith."

This is a very common and popular form of clause used in permitting other insurance, sometimes varied by leaving out the words "total" and "herewith," making the clause read "$..... concurrent insurance permitted."

The underwriter means when he writes a policy for $5,000, and permits $10,000 total concurrent, or $10,000 concurrent insurance, that the insured is limited to $10,000 total insurance in all on the property, including the $5,000 named in the policy, but the courts hold that the $10,000 total concurrent, or concurrent insurance, is in addition to the $5,000 written in the policy, and provides for $15,000 total insurance.

Yes, the court is wrong, but being governed by the wording of the contract, not by the intention of the party who wrote it, and having the last say, invariably, as in all ambiguities in unilateral contracts, decides against the writer of the contract.

The amount of insurance intended to be permitted on the property should be stated in the policy, without frills, in plain and simple language that could be understood by the court, the claimant and the company.

"Five thousand dollars other concurrent insurance permitted," or what is simpler and better, "$5,000 other insurance permitted," cannot be misunderstood.

(*The John Hancock Field.*)

The successful agent is a keen reader of human nature, and should be able quickly to determine the form of policy which best suits the circumstances peculiar to the "prospect." If the applicant is in a position to pay for a fair amount of ordinary insurance, it is a loss of time and business to write him for a weekly premium policy. If, on the other hand, he is only able, by the strictest economy, to pay a premium on a small ordinary policy, it is manifestly evident that he will have difficulty in paying the premiums more than a short time—in that case the real object of life insurance will not have been fulfilled. Under no circumstances misrepresent your contract. There is no occasion to make any misstatement or to exaggerate the contract you are to sell. A misrepresentation, sooner or later, will reflect upon you, injure the good standing of the company and will cause the agent who succeeds you an endless amount of trouble.

EXCELLENT OPPORTUNITY

FOR

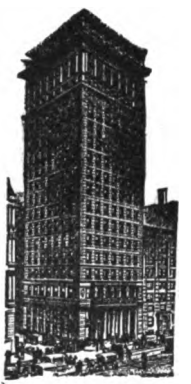
DIRECT AGENCY CONTRACT.

The Manhattan Life

INSURANCE CO.

of New York desires to make direct contracts, with good producers, for unoccupied portions of the following States: New York, New Jersey, Pennsylvania, Kansas, Idaho and Washington. The usual commission contracts with allowance for office expenses will be made. The policy forms of the Company are up-to-date, the premium rates are low and the annual dividends attractive.

Home Office: 66 BROADWAY, NEW YORK.



Company's Office Building.

Surety Bonds and Undertakings

are furnished promptly throughout the United States, Canada and Mexico, by the

American Surety Company

OF NEW YORK

Home Office, 100 Broadway

This Company confines its business exclusively to the furnishing of suretyship bonds and undertakings.

Its experience extends over a quarter of a century.

Its Financial Strength is greater, its Qualifying Power under Federal and State Regulations is larger, and its Agency Organization is more extensive than that of any other Surety Company.

Bonds issued for Employees, Administrators, Guardians, and in Judicial Proceedings.

STATEMENT DECEMBER 31, 1909.

Resources (including Capital, $2,500,000) $7,612,718.73
Liabilities (including Reserve, $1,330,367.97)..... 1,927,36819

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PHOENIX

ASSURANCE COMPANY, LIMITED, OF LONDON

(ESTABLISHED 1782)

LOSSES PAID, OVER - - - $200,000,000

HEAD OFFICE FOR THE UNITED STATES

47 CEDAR STREET, NEW YORK CITY

A. D. IRVING, JR., SECRETARY — LOUIS F. BAYARD, PERCIVAL BERESFORD — JOINT MANAGERS

HARTFORD LIFE INSURANCE COMPANY

CHARTERED FORTY-THREE YEARS

GEO. E. KEENEY, President. THOMAS F. LAWRENCE, Secretary

1909 Policy Contracts are Participating and Non-Participating. Annual or Deferred Dividends—Rates revised and made lower, Values based upon the FULL RESERVE. Desirable Contracts for Producers. Address—

Second Vice-President, Home Office, HARTFORD, CONN.

1828. THE 1910.

Pennsylvania Fire Insurance Company

OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,349,097.67
Surplus	2,233,426.43
Total January 1, 1910	$7,332,524.10

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

INCORPORATED 1851.

Berkshire Life Insurance Company

OF PITTSFIELD, MASS.

All Policies issued by the Company are subject to the Massachusetts Non-Forfeiture Law.

JAMES W. HULL, President.
W. D. WYMAN, Vice-Pres. and Treasurer. J. M. LEE, Actuary.
THEO. L. ALLEN, Sec. ROBT. H. DAVENPORT, Asst. Sec.

Agencies in all the principal cities of the United States.

BRITISH AMERICA ASSURANCE CO.,

INCORPORATED 1833.

Head Office: TORONTO, CANADA.

UNITED STATES BRANCH.

JANUARY 1, 1910

Assets	$1,556,740.94
Liabilities	902,438.61
Net Surplus	$654,302.33

HON. GEO. A. COX, President. W. R. BROCK and JOHN HOSKIN, K.C., LL.D. — Vice Presidents.

W. B. MEIKLE, General Manager.

Equitable Accident Company

161 DEVONSHIRE STREET, BOSTON, MASS.

"THE COMPANY THAT WORKS WITH YOU"

CAPITAL, - - - - - - - - - - $100,000.00
SURPLUS TO POLICYHOLDERS, - 182,372.07

Accident and Health Insurance
Commercial and Industrial Departments
Attractive Policy Forms—Liberal Commissions

WM. H. JONES, General Manager

QUEEN

Ins. Co. of America.

New York

To Agents and Brokers!

Are you familiar enough with the new Liability Laws to advise and protect your clients' interests? We will gladly send any information on request.

The Philadelphia Casualty Company

WALTER LE MAR TALBOT, President

Personal Accident, Health, Liability, Automobile, Plate Glass and Credit Insurance.

The Columbian National Life Insurance Co. of Boston, Mass.

LIFE, ACCIDENT AND HEALTH INSURANCE

The Only Massachusetts Non-participating Company.

The New Columbian Policies are Unexcelled in Clearness and Liberality. Good Contracts and Territory for Good Producers.

ARTHUR E. CHILDS, President

COMMERCIAL UNION ASSURANCE CO.

LIMITED,

OF LONDON.

OFFICE:

Cor. Pine & William Sts., New York.

201ST YEAR

SUN INSURANCE OFFICE OF LONDON

FOUNDED 1710

U. S. Branch: 54 Pine Street, New York

Western Department, 171 La Salle St., Chicago — Pacific Department, Sansome & Sacramento Sts., San Francisco, Cal.

AGENTS WANTED AT UNREPRESENTED POINTS

Insurance Brokers

PLACE YOUR

SURETY AND CASUALTY

BUSINESS IN THE

"Empire"

CAPITAL, $500,000

Business producers not now under contract wanted for open territory

Address AGENCY DEPARTMENT

THE EMPIRE STATE SURETY CO.

84 William St., NEW YORK.

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NATIONAL POLICIES SATISFY THE PUBLIC

NATIONAL CASUALTY DETROIT

NATIONAL CONTRACTS SATISFY THE AGENT

Territory open. Write for terms.

THE CONNECTICUT MUTUAL

That means the best life insurance to have and the best to sell. If you can sell life insurance, you can sell more of it for the CONNECTICUT MUTUAL.

Men of character and ability are invited to apply.

CONNECTICUT MUTUAL LIFE INS. CO., Hartford, Conn.

Please mention this paper

1860 50TH YEAR 1910

HOME LIFE INSURANCE COMPANY

OF NEW YORK.

GEORGE E. IDE, President

ASSETS, $23,626,018.63 LIABILITIES, $21,858,691.52 (Including Deferred Dividend Fund)

Dividend-Endowment Fund (Deferred Dividends)	$2,119,044.00
Net Surplus	1,767,327.11
Insurance in Force	92,532,583.00

The Record for 1909 shows the following GAINS:

Insurance in Force	$4,164,239.00
Assets	1,917,117.00
Deferred Dividend Reserve	148,581.00
Contingency Reserve (Surplus)	655,149.17

OLDEST IN AMERICA **STRONGEST IN THE WORLD**

The Mutual Life

Insurance Company of New York

Mutual Life Agents Make Most Money Because Mutual Life Policies Sell Most Freely

For terms to producing agents address:

GEORGE T. DEXTER, 2d Vice-President,

34 Nassau Street, New York, N. Y.

[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1, 1910

CAPITAL

$1,500,000

RESERVE FOR ALL OTHER LIABILITIES

8,222,018

NET SURPLUS

6,440,211

ASSETS

16,162,229

GERMANIA

FIRE INSURANCE COMPANY

Organized 1859 **NEW YORK**

Cash Capital	$1,000,000.00
Assets	$6,562,229.14
Net Surplus	$2,008,419.02
Surplus for Policy Holders	$2,008,419.02

HEAD OFFICE: Cor. William and Cedar Streets

The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1910	$3,470,509.30
Total Liabilities, except Capital	1,920,837.24
Capital	500,000.00
Surplus to Policyholders	1,549,672.06

F. F. BUELL, Special Agent, Troy, N. Y.

Provident Life and Trust Co.

OF PHILADELPHIA.

The Provident has been particularly distinguished for the development of a highly trained force of agents. The systematic instruction which its agents receive has resulted in their being recognized as representatives of exceptional knowledge of the business and of marked efficiency.

Insurance Company of North America

FOUNDED 1792

232 Walnut Street, Philadelphia

Assets, January 1, 1909 ..... $12,014,062.63

LIABILITIES—Reserved for Reinsurance and all other claims	$7,263,156.97	
Capital Stock	3,000,000.00	
Surplus over all Liabilities	1,750,905.66	$12,014,062.63

Agents in all the principal towns and cities.

EUGENE L. ELLISON, President.

T. HOUARD WRIGHT, Secretary. HENRY W. FARNUM, Assistant Secretary.

BENJAMIN RUSH, Second Vice President. JOHN O. PLATT, Assistant Secretary.

Surplus to policyholders, $4,750,905.66.

Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

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HOME OFFICE OF THE

Metropolitan Life Insurance Co.

INCORPORATED BY THE STATE OF NEW YORK

The Company OF the People, BY the People, FOR the People.

PROOF OF PUBLIC CONFIDENCE

This company has more premium paying business in force in the United States than any other Company, and for each of the last 16 years has had more New Insurances accepted and issued in America than any other Company.

The number of Policies in force is greater than that of any other Company in America, greater than all the Regular Life Insurance Companies put together (less one), and can only be appreciated by comparison. It is a greater number than the Combined Population of Greater New York, Chicago, Philadelphia, Boston, St. Louis, Cleveland, Cincinnati, San Francisco, Pittsburg, Baltimore, New Orleans and Buffalo.

ASSETS.

Municipal and R. R. Bonds and Stocks	$123,346,161.39
Bonds and Mortgages	105,183,172.02
Real Estate	23,311,215.72
Demand Loans on Collateral	172,930.00
Cash	5,420,643.42
Loans to Policyholders	11,193,245.61
Premiums, deferred and in course of collection (net)	5,190,288.45
Accrued Interest, Rents, etc.	3,290,211.85
Total	$277,107,868.46

LIABILITIES.

Dividends payable in 1910	$6,938,793.66
Reinsurance Fund and Special Reserves	237,213,384.00
All other Liabilities	3,053,470.82
Capital and Surplus	29,902,219.98
Total	$277,107,868.46

Largest Office Building in the World—Madison Avenue, Fourth Avenue, 23d Street and 24th Street, New York City.

SIGNIFICANT FACTS

This Company's Policy-claims paid in 1909 averaged in number one for every 63 seconds of each business day of 8 hours each and in amount $140.81 a minute the year through.

THE DAILY AVERAGE OF THE COMPANY'S BUSINESS DURING 1909.

456 per day in number of Claims Paid.
6,585 per day in number of Policies placed and paid for.
$1,463,755 per day in New Insurance placed and paid for.
$183,408.75 per day in Payments to Policyholders and addition to Reserve.
$132 172.72 per day in Increase of Assets.

OFFICERS

JOHN R. HEGEMAN.....President
HALEY FISKE.....Vice President
GEORGE H. GASTON....2d Vice President
GEORGE B. WOODWARD..3d Vice President
FRANK O. AYRES.....4th Vice President
F. F. TAYLOR.....5th Vice President
JAMES M. CRAIG.....Actuary
STEWART L. WOODFORD.....Counsel
WM. J. TULLY.....General Solicitor
FREDERICK H. ECKER.....Treasurer
WALTER STABLER.....Comptroller
JAMES S. ROBERTS.....Secretary
JOHN R. HEGEMAN, JR....Asst. Secretary
J. J. THOMPSON.....Assistant Secretary
T. R. RICHARDSON.....Assistant Secretary
GEORGE B. SCOTT.....Assistant Secretary
FREDERICK A. BETTS...Assistant Secretary
GEORGE C. PENHALLOW...Asst. Secretary
THOMAS H. WILLARD, M. D..Med. Direct.
AUGUSTUS S. KNIGHT, M. D..Med. Direct.
W. S. MANNERS, M. D..Asst. Med. Direct.
E. M. HOLDEN, M. D....Asst. Med. Direct.
D. M. GEDGE, M. D.....Asst. Med. Direct.

I. J. CAHEN.....Manager Ordinary Dept.
LEE K. FRANKEL, PH. D..Mgr. Indus'l Dept.
J. BERGEN OGDEN, M. D..Asst. Med. Direct.
JACOB CHADEAYNE..Mgr. Interm'd'e Branch

Paid to Policyholders since Organization, plus the Amount now invested for their Security, $537,223,528.83. Number of Policies in Force, 10,621,679. Amount of Outstanding Insurance, $2,041,951,700.00.

Prosperously Busy!

Our agencies are steadily increasing this year's lead over the figures of our high record in 1909.

Our agents are prosperously busy With Business Life Insurance and our unequaled Continuous Monthly Income policy they are reaching and satisfying the public and liberally rewarding themselves

Inquiries invited from *delivering* producers.

GEORGE D. LANG, Superintendent of Agencies

MASSACHUSETTS MUTUAL LIFE INSURANCE CO.

SPRINGFIELD, MASSACHUSETTS

INCORPORATED 1851

National Life Insurance Co.

MONTPELIER, VERMONT.

Established in 1850. Operating in 36 States.

JOSEPH A. DEBOER. President.

FRED A. HOWLAND, Vice-Prest. OSMAN D. CLARK, Secretary.
JAMES B. ESTEE, 2d Vice-Prest. H. M. CUTLER, Treasurer.
A. B. BISBEE, Med. Director. C. E. MOULTON, Actuary.

This Company held January 1, 1910, and gained during the past decade:

ASSETS,	$47,490,998.98	- Gain, 167%
LIABILITIES,	41,661,180.12	- Gain, 162%
SURPLUS,	5,829,868.86	- Gain, 211%
INSURANCE,	161,428,115.00	- Gain, 79%

ABSOLUTE SECURITY AND ECONOMY OF MANAGEMENT

J. G. WALKER, President.
T. WM. PEMBERTON, 1st Vice-Pres. W. L. T. ROGERSON, 2nd Vice-Pres.
E. D. HARRIS, Secretary.

Organized 1871.

Life Insurance Company of Virginia

HOME OFFICE, RICHMOND, VIRGINIA

The OLDEST Southern Life Insurance Company.
The LARGEST AND STRONGEST Southern Life Insurance Co.
The PIONEER Southern Industrial Life Insurance Company.

Its policies are clear and definite in their provisions, and their values are absolutely guaranteed.

Assets, December 31, 1909	$5,372,691.99
Liabilities, December 31, 1909	4,312,405.32
Insurance in force December 31, 1909	68,337,613.00
Total payments to policyholders since organization	9,820,412.49

The Prudential Has Thousands

Of successful Agents who never wrote Life Insurance before connecting with this Company. You can win success, too, if you have the necessary qualities.

Write us today about an agency.

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA.

Incorporated as a Stock Company by the State of New Jersey.

JOHN F. DRYDEN, President Home Office, Newark, N. J.

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1894 1910

The State Life Insurance Company

Indianapolis

UNEQUALED IN SOLID ACHIEVEMENT

Assets Dec. 31, 1909, $8,580,830.58. Surplus 1909, $1,174,606.34

GROWTH UNPARALLELED

	Gain in Admitted Assets	Gain in Surplus
1907	$1,001,409.00	$27,775.00
1908	1,023,700.00	158,161.00
1909	1,201,977.14	314,044.74

Eight Million Dollars in Securities Deposited With the State of Indiana.
This is $848,861 more than is required by law.

MOST ATTRACTIVE AGENCY CONTRACTS
Our Own Idea.
Every Contract Direct With the Company.
Scores of Good Men Have Joined the State Life Field Force since January 1, 1910.

On all Agency matters address: CHAS. F. COFFIN, 2d Vice-Pres., 1231 State Life Building

The Preferred Life Insurance Company of New York

SUPERIOR POLICIES

KIMBALL C. ATWOOD, President,
290-292 Broadway, New York.

THE COMPANY WITH THE PYRAMID

40 CONSECUTIVE YEARS OF PYRAMIDAL PROGRESS

Assets	Surplus
1,014,578.95	215,660.60
1,101,451.03	219,983.34
1,191,863.33	237,759.15
1,269,088.30	264,744.00
1,605,101.00	304,331.79
1,588,816.66	323,479.81
1,659,157.79	360,138.69
1,839,961.20	400,881.94

NEW HAMPSHIRE FIRE INSURANCE CO.

2,937,319.76	840,940.17
3,163,880.05	946,783.34
3,779,569.67	1,184,810.10
4,310,836.19	1,257,038.25
4,800,404.12	1,322,978.14
4,861,149.81	1,406,681.84
5,196,017.46	1,510,064.23

MANCHESTER, N. H.

TOTAL LIABILITIES $2,585,953.23
POLICY-HOLDERS' SURPLUS $2,610,064.23

FIDELITY-PHENIX

FIRE INSURANCE COMPANY

OF NEW YORK

FIDELITY, says Webster, means faithfulness, loyalty, honesty.

PHENIX is an emblem of that which fire is unable to conquer.

AGENTS AGREE THAT THE FIDELITY-PHENIX IS WELL NAMED

HOME OFFICE: 46 Cedar St., New York

WESTERN OFFICE: 205 La Salle St., Chicago

HENRY EVANS, President

Incorporated 1855

THE JEFFERSON FIRE INSURANCE COMPANY OF PHILADELPHIA

In Business Fifty-four Years. Surplus to Policy-Holders, Over $450,000.

AGENCY DEPARTMENT, 425 WALNUT STREET, PHILADELPHIA.

AGENTS WANTED AT ALL DESIRABLE POINTS.

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The Weekly Underwriter:

AN INSURANCE NEWSPAPER.
ESTABLISHED 1859.

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK. Secretary.

IN February, 1908, we published a paper on "Liability Loss Reserves," by Mr. S. H. Wolfe, in which he pointed out the inadequacy of the present laws on the subject, and suggested a method which he had used in some of his examinations which gave accurate results. So far as we know, this was the first public announcement of the inadequacy of the State's standard. Since that time underwriters generally have admitted the correctness of the conditions pointed out by Mr. Wolfe, and a committee has been working diligently for several months in an attempt to arrive at a safer basis. In this week's issue we publish a paper on "Liability Loss Reserves," prepared by the same writer, at the request of the Liability Association, in which he reviews the existing statutes, points out their defects, and suggests that hereafter loss reserves be computed on the basis of the unexpended portion of the "pure premium," which has been charged for the risk. The pure premium, Mr. Wolfe explains, is the amount which the company collects for the purpose of paying losses and loss expense, and therefore corresponds with the net premium used by life insurance companies; in fact, the method suggested attempts to eliminate all troublesome estimates, and put the calculation of this important item on what we may term—for want of a better word—an actuarial basis.

ONE of those amusing coincidences occurred when a million dollar fire was burning in a Western city the other day, while the editor of the local paper was writing a stinging article denouncing the fire insurance trust for raising rates in the district, which was on fire without the editor's knowledge. Among other things intended to be disagreeable to the underwriters, he said:

> It is this sort of policy that causes faith to be lost in the fire insurance companies, that drives policyholders out of the old established companies into so called wildcat insurance, and at all events into companies not authorized to do business in the State.

In his reflective moments subsequent to the conflagration the editor may have wondered if the burned policyholders of the "trust companies" were not congratulating themselves that they stayed in, even at the advanced rates, and if the sufferers who were driven by the rates into the wildcats were not kicking themselves vigorously. The conclusion must have been that it pays better to buy straight goods, even at a high price, than shoddy goods at any price.

IN his able paper before the Casualty and Surety underwriters this week Mr. Robert Lynn Cox discusses the modern demand by the public for government control of corporations, and expresses the conviction that this disposition has not only come to stay but will steadily extend. In its application to insurance corporations the tendency is toward much ill considered regulation, which works injuriously to the interests of both insurance and the public. In view of this condition one of the most important considerations of the time is that of meeting it without friction and with success. Supervision as the fruit of legislation we must accept as inevitable. How can legislation be so influenced as to be beneficent instead of harmful? It must be accomplished by appeal to the reason of legislators through the combined efforts of all that is best in the insurance business. For this reason Mr. Cox advocates a wide co-operation among insurance companies. The separate struggles of individual companies or groups of them in the same line of operations to secure individual or special purposes enfeebles the general movement, and creates doubt and confusion in the minds of the makers of the laws. General co-operation would avoid these difficulties and be effective. Mr. Cox cites the excellent results attained by the Association of Life Insurance Presidents because it represents the nearly united effort of the stronger life insurance companies. And because it is strong and united it can use methods of persuasion toward good legislation which meet the approval of leading publicists and insurance commissioners. The same methods can bring about still greater results on a larger scale. Another valuable point made by Mr. Cox is the very much greater economy that can be obtained in producing results by combined than by segregated effort. Of this he says:

> It seems hardly necessary to point out here the saving to be effected by having the experts in one office reading proposed legislation each day instead of having the same work done in dozens of different offices, and by a multitude of experts. Neither does it require argument to show the economy of having one representative appear to explain the position of insurance companies on a given matter rather than to have as many representatives appear as there are companies interested in the matter. This method presents the advantage of having the business as a whole represented by a man who is not identified with any particular company, but whose primary allegiance is to all companies in their matters of common interest. To do with one machine, though it be a trifle larger and a little more elaborate, that which has been done before by many machines, is but to follow the lead of many agricultural, manufacturing and other business operations generally.

Mr. Cox's counsels are commended to all underwriters who realize the need of guiding the growing disposition toward government regulation of business into proper channels.

A GOOD deal of nonsense is being written about "race suicide," as applied to the old American stock. The impression is being cultivated that the descendants of the New England, Virginian and other Colonial forefathers are dying out because they refuse to have large

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families, or, for that matter, any offspring at all, if they can help it. The point of view, however, is all wrong. Luxury does tend to discourage the production of many children by the pair affected by it, and rich people—living in cities mostly—refuse to be burdened with cares which interfere with their pleasures. It is quite true that city families bearing Colonial names are small, while the poorer quarters swarm with the progeny of Europeans of later immigration. But outside the great cities of the North and the more prosperous adjacent countryside, there are millions of plain people whose names are straight English, Scotch and Scotch-Irish, and who derived them from ancestors who came to this continent during the century and a half before the Revolution. The published genealogies of the old American families show how numerous they are, and how widely spread. There are records of six thousand descendants of John Alden and Priscilla Mullins, of the Mayflower, and there have been three thousand descendants of Roger Wiliams, of Rhode Island, and many other New England, Virginia and Carolina families have exhibited similar fecundity. These people are largely in the South and Middle West, and on the Pacific Slope. They constitute the backbone of such States as Ohio and Indiana. The movement westward from New England into New York State began even in Colonial times, and after the Revolution spread farther and farther toward the Mississippi. There was a parallel movement from Virginia and the Carolinas into Kentucky, Tennessee and the Gulf country. All these great States were stocked with the Colonial race before the modern tide of immigration set in, and it predominates still. The South is markedly a land in which the old names prevail, as one will realize by reading any random list of the inhabitants of a Southern country town. The white blood of the South—outside the largest cities, and largely in them also—is almost wholly Colonial. Now in that region, as in the New England settled sections of the West, large families are the rule. There is no more indication of their dying out than there is of the Irish families of Massachusetts and the Scandinavian families of Wisconsin perishing. A more vigorous and persistent stock than the Anglo-American does not exist, and it cannot "commit suicide." The Johnsons, Robinsons and Thompsons are prolific as ever, and there are no better insurance risks than they.

Facts and Opinions.

All the companies in the **Western Insurance Bureau** will meet in the Chicago rooms on the afternoon of November 2 for the first general gathering since the organization last summer. The bureau is very much encouraged over the success that has attended its plan for a reduction of commissions and other expenses, the changes having been put into effect in Illinois and Indiana with very much less friction than had been expected. The bureau has been working along a well arranged plan to move slowly, undertaking no more than the companies and agents are ready for, and taking up the various States in turn, so that the work could be carefully handled and any defects remedied before the plan was generally adopted. At the November meeting the executive committee will recommend the extension of the bureau arrangements to the States of Michigan, Wisconsin, Minnesota, Missouri and North and South Dakota. In these the cities of Detroit, Milwaukee, St. Paul, Minneapolis, St. Louis and Kansas City will be regarded as excepted territory, as Chicago and Indianapolis have been in the States already taken up. Wisconsin will probably be the new State in which the changes will be most felt, as it has been more subject to the excess commission evil than the others. This has been largely due to the active competition of the Milwaukee companies, but it is understood that they are confident that the changes can be made without trouble, as the agents see the trend of public and official sentiment against high commissions, and are satisfied with the new scale so long as it is uniform. The bureau scale of commissions is 25 per cent. on preferred, tornado and brick and stone mercantiles; 20 per cent. on stock in brick mercantiles and frame mercantiles and contents, and 15 per cent. on all other classes. These are maximum commissions, and many companies have lowered the scale in certain respects. The executive committee of the bureau is strong in its determination that it will stand by any company, even the smallest in its membership, if it suffers any injustice from a bureau or any other company. The bureau now enrolls forty-five companies, and it is understood that a number of applications will be passed upon by the executive committee this week.

Recently the **Mutual Life** insurance company made a move to secure an **extension of the time** prescribed by the insurance law of 1906 for the **sale of its stocks,** which was limited to December 31, 1911, the plea being that the forced sale of this class of its assets might result in serious loss to the policyholders. This week the movement has taken on another form, and has the support also of the Equitable, Metropolitan and Home Life insurance companies. It seeks to have the Legislature repeal the objectionable section of the law altogether and leave the life insurance companies free to hold the stocks which they own. Judge McKeen, counsel for the Mutual Life, in advising this course has addressed a statement to President Peabody, in the course of which he says:

Some changes in the economic conditions of the country have no doubt made the holding of corporate stocks of a conservative character less objectionable as investments than they were thought to be at the time of this legislation. Probably the chief reason which impelled the legislation was the apprehension that if such investment were permitted the trustees of life insurance companies would yield to the temptation to use the vast accumulations of these companies in the exploitation and control of outside schemes. The dominant reason, however, for the legislation no doubt was that the assets of life insurance companies should be considered as trust funds, and should be invested under all the safeguards ordinarily imposed by the courts upon investments by trustees. Experience seems to have shown that the danger of manipulation of funds in the interest of stock jobbing schemes has been greatly exaggerated; at any rate, it has practically ceased to exist. It also seems apparent that dividend paying stocks of a certain kind are even safer as an investment of trust funds than are bonds. Any loss in value due to the diminishing purchasing power of gold falls upon the bondholder, whereas such loss in the case of stock is recouped by the increase in selling value. For these and other reasons, therefore, it seems to me the Legislature might wisely be asked to repeal entirely the provisions of the section which compels the company to dispose of these stock investments. The mere extension of time within which such disposition may be made would afford only partial relief. The knowledge that these large quantities of stocks must be at some early future date thrown upon the market without reserve has a most depressing influence upon their price.

The **Underwriters' Handbook of the Pacific States** has been issued by the *Underwriters' Report* at San Francisco. This well known publication is intended for the use of persons interested in insurance in the Pacific States. A complete directory of insurance companies and agents is shown for Arizona, California, Nevada, Utah, Idaho, Montana, Oregon and Washington, fire, life and miscellaneous agents being separately given for each town, together with the companies represented. Tables showing the operations of the various companies for each year in each State, and covering a period of five years, is a feature of the publication. A synopsis of the principal statutory requirements for insurance companies op-

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erating in the States covered is also a feature of the handbook, as well as a calendar showing the dates for transacting official business with each State insurance department. The California section, in addition to the regularly licensed insurance agents, contains a list of San Francisco authorized brokers, numbering nearly five hundred. Another item is the separate listing of San Francisco general agencies for the various companies. The arrangement and general appearance of the handbook gives evidence of painstaking effort, nothing, apparently, being neglected by the publishers in an effort to provide a convenient and reliable reference work and directory. The price of the Underwriters' Handbook of the Pacific States, covering Arizona, California, Nevada, Utah, Idaho, Montana, Oregon and Washington, is $5. For sale only by the publishers, *Underwriters' Report*, San Francisco, Cal.

The Supreme Court of New Jersey has reversed the action of the State Board of Equalization and Taxation and sustained the Newark and Essex County Board of Taxation in deciding that $14,623,279 belonging to the **Prudential insurance company** is properly subject to local taxation. This amount constitutes a special reserve fund against deferred dividend participating policies, created under the act of 1907. The Prudential claims that this act of 1907 changed the character of the fund, making it a debt and a liability of the company to the policyholders, and therefore exempt within the meaning of the tax act. The court now holds that for purpose of taxation the fund is precisely the same as prior to the 1907 legislation; that there has been no change in the legal rights and liability of the parties. Justice Minturn holds that this act did not create a new and distinct debt or liability as between life insurance companies and the State, so as to entitle such companies to an exemption from taxation upon surplus funds representing the earnings and profits distributable to deferred dividend policyholders as a class. The opinion points out that the act could not constitutionally effect any change in the relative rights of insurers and insured under existing policies of insurance, but was intended to effect an apportionment and segregation of the funds in which deferred dividend policyholders as a class were entitled to participate under the terms of their policies. The decision will be appealed by the company to the Court of Errors and Appeals.

Trouble has come to the local **fire insurance agents of Topeka, Kan.**, from the growing disposition of owners of large lines to place them in unauthorized companies and outside the State, presumably at lower rates than the Kansas schedule. It is reported that the Topeka-Edison Company and the Topeka Railway Company, with $300,000 of insurance, have transferred their lines from local agents to Topeka brokers, and the W. A. L. Thompson Hardware Company, with $150,000 of insurance, informs the local agents that the entire line has been arranged for outside the State. A meeting of the local agents has been held, at which practically all the leading companies were represented, at which the situation was discussed. A special dispatch to the *Journal of Commerce* says:

> The meeting decided that the agents should not attempt to meet this competition by securing permission from the Insurance Department to cut rates except as a last resort. Incidentally, it was decided to submit the situation to the companies themselves with the suggestion that an act of the Legislature be drafted to meet the situation. It was the opinion of the meeting that the expense of preparing such a bill would be considerable, and that it should not fall upon the local agents. The Topeka agents are in a peculiarly unfortunate position, since under the new Kansas rate regulation law they are forbidden to write at less than the schedule rate filed by the companies, and so are unable to meet such competition in the usual way.

An illustrated monthly appears under the editorship of Dr. Isidor Singer as the **Popular Insurance Magazine**, and is intended to appeal primarily to that extensive class of people concerned about insurance who constitute the policyholders. The new publication is prepared, therefore, with matter that will especially interest them. In the prospectus the editor says:

> There is, therefore, an ample, useful field for the popular insurance magazine, and to cover it conscientiously, impartially, and with the best knowledge at our disposal is our ambition.

Dr. Singer is exceptionally competent to conduct a periodical of this kind. As the originator and editor of the "International Insurance Cyclopedia" he has won international fame, and he brings to his new enterprise enthusiasm, industry and an acute knowledge of what the public want in insurance information. The contributors to the October number include Professor Norton, of Yale; Dr. Brandreth Symonds, chief medical director of the Mutual Life; Professor Huebner, of the University of Pennsylvania; Professor Seager, of Columbia University, and William Alexander, secretary of the Equitable Life, which gives an idea of the quality of the contents.

Southern fire underwriters have under consideration a plan for increasing the **compensation** of the better class **of agents.** They propose to give them an allowance of 5 per cent. in addition to the 15 per cent. commission for incidental expenses, such as postage, exchange, small adjustments, etc., provided they agree to represent association companies only, and to maintain an office devoted to the insurance business, separate and distinct from any other business, with at least one man in an agency devoting his entire time to agency work. The advocates of the plan claim that it would affect less than 50 per cent. of the agencies in the South Eastern Underwriters' Association territory, but that these write over 50 per cent. of the premiums. Its adoption would effect separation in all the legitimate agencies, as the allowance would be accepted in preference to a contingent, while in the agencies where **fire** insurance is merely a side line there would be no change. They also claim that the plan fits with the growing demand of the insurance departments and the public for thoroughly qualified agents instead of mere side liners.

At a meeting of the **Fire Underwriters' Association** of the Eastern field, held on Wednesday, Chairman Bissell, of the executive committee, reported that the committee did not find that it was possible to carry out the plans as prescribed by the agreement, the feeling in the committee, however, being unanimous that the organization should be continued. They asked the signers, if they concurred, to decide whether they cared to appoint another committee or to leave the matter in the hands of the executive committee to modify the plans in such manner as would make the continuance of the association practicable. The change considered necessary in the agreement is a clause providing for the payment of contingent commissions. After a discussion it was decided to refer the agreement back to the executive committee, with the request that it recommend to a general meeting of the signers such modifications of the agreement as the committee may think wise and calculated to promote the success of the association.

In view of the activity of so called **audit and abstract companies,** which frequently are merely twisting agencies, a recent decision at Detroit will be of interest to life insurance men. The J. F. Kight Audit and Abstract Company, of Indianapolis, has sued John P. Lieberman, of Detroit, under a contract authorizing it to abstract his policies and to pay 10 per cent. of the annual premium, provided the annual saving was in excess of the fee charged. The court held that the saving consisted merely in substituting a cheap form of insurance for that previously carried, with reduced values to correspond

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with the reduced premiums. The court held that a saving would be conceded if a lower price were secured for a similar article, but so long as a different article were given it would not be so construed. Kight had advised the surrender of a fifteen payment, participating policy, issued at age 51, and the taking of an ordinary life, non-participating policy at age 55.

The **joint conference committee** of the National Association of Local Fire Insurance Agents has been appointed by President A. W. Neale, as follows: C. H. Woodworth, Buffalo, chairman; E. B. Case, Chicago; C. F. Hildreth, Freeport, Ill.; John C. North, New Haven, Conn.; C. I. Lunsford, Roanoke, Va. The company members of the committee are Vice President E. H. A. Correa, of the Home, chairman; President Henry Evans, of the Continental; President W. B. Clark, Ætna; Manager Henry W. Eaton, Liverpool and London and Globe; Manager Charles L. Case, of the London Assurance, and President R. Dale Benson, of the Pennsylvania. The chief subjects to be handled by the committee in conference with the companies are "Trust Lines and Brokers" and "Uniform Blanks."

According to the annual directory of companies and agents issued by the Maine Insurance Department, and corrected up to September 1, there is a total of 254 **companies licensed in Maine,** divided as follows: Maine mutual fire companies, 56; Maine stock marine companies, 2; stock, fire and marine companies of other States, 64; mutual fire companies of other States, 7; United States branches of fire and marine companies of foreign countries, 23; Maine Life insurance company, 1; life insurance companies of other States, 24; Maine miscellaneous companies, 2; miscellaneous companies of other States, 44; Maine assessment companies, 5; assessment companies of other States, 2; Maine fraternal associations, 4; fraternal associations of other States and countries, 20.

An announcement by the Federal Life of Chicago states that Mr. Emil A. Marthens, who recently resigned as supervisor for the Hartford Life insurance company in Chicago, has accepted a contract with the **Federal Life** for the west half of Missouri, with headquarters at Kansas City, where he has already gone. The Federal Life has also recently closed contracts with Austin R. Schnabele, of Libertyville, Ill.; M. Chase Hall and N. K. Zlotnicki, to work in Chicago, Ill., and the company has negotiations pending with several large producers for territory in Illinois, Michigan, Indiana, Kentucky, Missouri and Ohio.

In view of the sentiment expressed by Mr. Elijah R. Kennedy to the members of the Barebones Alumni Association, as reported on another page, the view of the *London Saturday Review* is interesting. The paper says that "There is abundant evidence to show that the big insurance companies are determined **to become bigger,** and in order to achieve this end they are prepared to buy up other insurance offices, even when the companies purchased are themselves rather large. Such absorptions have been numerous in the past, and it is probable that they will be at least as prevalent, if not more so, in the near future."

The famous **Kimmel case** is on trial in the Federal court at St. Louis. Kimmel had been a bank cashier at Niles, Mich., and had disappeared mysteriously. After the statutory period his family sued the New York Life to recover the insurance. The New York Life claimed to have found Kimmel in the insane asylum at Matteawan, N. Y., and presented a letter written by the man and detailing his wanderings and claiming to be Kimmel. The Kimmel family deny his identity.

Numerous changes are reported among the agencies of the **Fire Association of Chicago.** E. L. Colburn, assistant manager of the Western department of the Fire Association, will return to the field, exchanging positions with W. J. Haggarty, State agent for the company in Minnesota. The confinement of office work has affected Mr. Colburn's health, and he was anxious to get back into the field, while the fact that Mr. Haggarty's family lives in Chicago made it desirable for him to return there.

The latest effort on the part of the companies interested in the **Hotel Ampersand** case to get the matter beyond the Court of Appeals has failed by an adverse decision of the court, but permission is granted, on conditions, for a new motion to amend. The decision sought to be overthrown by the companies is that the conspiracy to burn the hotel did not avoid the policies, because a fire not of incendiary origin burned the property before the conspirators had time to carry out their design.

The *Insurance Herald* announces the acquisition of Mr. **John D. Hogshead,** for the past year a special representative of the *Western Underwriter*, as assistant editor. Mr. Hogshead is described as being young and energetic, and is credited with having made good progress in insurance journalistic work. The South offers a good field for the exercise of talent, and by his appointment to the *Herald* staff Mr. Hogshead has been invested with a most excellent opportunity.

There has been considerable discussion of late of the average life of **legal reserve life insurance policies.** A tabulation of the last ten years' risks in twenty-five companies shows the average to be eleven and three-quarters years. This, however, applies only to the old and stronger companies, and excludes industrial insurance, so that the average would be less. For the twenty-five selected companies the average life has increased from 7.31 in 1904 to 14.16 in 1909.

It is reported that a well known chain of **Western mutual fire companies** which has been specializing on single source sprinkler equipments, and has given very annoying competition to the stock companies, has been **reinsured** by a prominent foreign company, and has retired from the field. The matter is being kept very quiet, pending negotiations as to the future connection of the agency and inspection staff which had been built up.

At the annual meeting of the Vermont Association of Local Fire Insurance Agents the following resolutions on the **commissions question** were adopted:

That this association indorse the National and Southern associations' recommendation that agents in Eastern territory be paid the maximum rate of commission now paid the Western agents, or its equivalent, and that in view of the action taken at the Insurance Commissioners' convention we believe that the contingent plan would accomplish this result in the most satisfactory way.

The Wisconsin Insurance Department has issued a circular ruling forbidding citizens of the State from transacting life **insurance business by mail** with the life companies forced out of the State through legislation several years ago. The argument had been advanced that there was nothing to prevent the business being carried on by mail, which is now changed. The ruling covers equally as to fire, life, casualty or other insurance.

The stockholders of the National Fire of Pittsburgh and the Ben Franklin of Allegheny voted this week to merge the two under the name of the **National-Ben Franklin Fire**

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insurance company. The combined capital will exceed $3,000,000. The officers will be as follows: President, Samuel McKnight; vice presidents, Charles F. Spifel and Joseph C. Porter; secretary, H. M. Schmitt. Mr. Schmitt will also be manager.

The **Continental** has brought suit to enjoin the Indiana insurance official from revoking the license of the company or attempting to collect any taxes in addition to those already paid by the company. This is an outcome of the attempt of the Indiana Insurance Department to levy taxes under the reciprocal plan as to the fire companies, making the levy retroactive for the past thirty years. The case will be a test case.

The Texas Attorney General has ruled that the accident department of the **Travelers** is entitled to be granted a license in that State, regardless of the alleged failure on the part of the life department to pay the required tax on 1909 business. Early in the year W. E. Hawkins, then Insurance Commissioner, refused a license to the accident department on account of the disagreement with the life department.

The **New York Life** reports that of the 651 **deaths** among the company's policyholders during September 68 died of consumption, 56 of heart disease, 52 of Bright's Disease and 40 of cancers and tumors. Accidental death claimed 33 persons. The total of life insurance held by the deceased was $2,095,961.16. Dividends and other cash payments during the month to living policyholders aggregated $2,120,406.19.

By a recent order of A. R. Monroe, president of the **Fire Underwriters' Association of the Northwest,** he has reappointed the present library committee, and has appointed as a finance committee Neal Bassett, Western manager of the Firemen's of Newark; R. D. Huggard, Ohio State agent of the Springfield, and W. A. Chapman, assistant Western manager of the Connecticut Fire.

Two bookkeepers in the employ of the **North British and Mercantile** have been arrested, charged with the larceny of checks purporting to be issued for return premiums to policyholders whose policies had been canceled, but instead made out to fictitious persons. The two men are said to have taken about $13,000 in this manner during the five years they had been with the company.

The Governor of Utah has appointed **Willard Done** to be **Insurance Commissioner** for that State to succeed the late George B. Squires, whose able assistant Mr. Done was. He will serve under the appointment until April, 1911, and in all probability will be reappointed then, as his work has been eminently satisfactory. He has had an extended experience in insurance.

The **Chicago Insurance Brokerage Association** is seeking to strengthen its organization in view of the coming effort on the part of the National Convention of Insurance Commissioners to bring about the payment of brokers by the insured instead of by the companies. The subject was discussed at the annual meeting of the association in Chicago Wednesday night.

The Home of New York has made a tabulation of **dwelling fires** on the various sections, with special reference to those due to defective flues. Of 3,298 losses tabulated, the defective flue fires were 41 per cent. in the Southern States, 38 per cent. in the Middle West, 36 per cent. in Canada, 35 per cent. in the Far West, and 33 per cent. for the Middle and Eastern States.

The 1910-11 edition of the **Insurance Directory,** published by the *Insurance Record,* has just been received. The book contains a very complete directory of insurance companies and their representatives in Greater New York and nearby points in New Jersey, besides a large amount of other valuable information. It is the twenty-ninth edition of the book.

The new **committee on qualifications,** authorized at the last session of the National Convention of Local Fire Insurance Agents, has been appointed by President A. W. Neale, as follows: Lyman M. Drake, of Chicago, chairman; A. H. Robinson, of Louisville, Ky.; R. F. Manly, Birmingham, Ala.; P. D. Kiernan, Albany, N. Y.; H. R. Manchester, Cleveland, Ohio.

The San Antonio ranchman who was cremated in the fire which destroyed his beautiful home during the absence of his family carried **$190,000 of insurance,** of which $150,000 was accident and $40,000 life. He was confined to his bed by accidental injury when the fire started, and was unable to escape. The insurance companies interested asked for an autopsy.

Fire losses in Texas are still running **abnormally high,** and it is feared that the loss ratio of the State, which was 90 per cent. in 1909, will be surpassed this year. Most of the fires are due to lack of water, a defect which the new schedules ought to correct by penalizing deficiencies in the rate, which led to the repeal of the former State rating law.

Stockholders of the Hawkeye insurance company and the Des Moines Fire insurance company have decided to consolidate under the name of **The Hawkeye and Des Moines Fire insurance company.** The consolidation will make the new company the largest single operating company in Iowa, and will materially reduce operating expenses.

The motion of Attorney General Jackson of **Kansas** for additional time in which to file his brief in the action by which it is sought to establish the unconstitutionality of the **State rating law** is taken to mean that the brief of the companies' attorneys is much stronger than was anticipated. The additional time asked has been granted.

The *Commercial Times,* started in Chicago last June, which promised to pay special attention to insurance news, has **suspended publication.** Editor P. J. V. McKian, of the *Argus.* had charge of the *Times'* insurance column. The *Commercial Journal,* started about the same time as the *Times,* consolidated with the *Times* some weeks ago.

A statement from Vice President Kline, of the Continental, after a visit to the Western department, contradicts the reports that the company was not living up to its pledge to **the Western Union,** and declaring that all the agents' contracts would be brought into harmony with the Union rules with the two years allowed.

The report of the engineers of the National Board of Fire Underwriters states that a serious **fire hazard exists at Helena, Mont.** Weak construction of buildings, lack of protection against exposure, a deficient fire department and a defective water supply are among the things pointed out.

The **Unity Assurance Company of London** is the name of a new company, the prospectus of which has just been issued, stating that the authorized capital of the company is £100,000, and that it will work on non-tariff lines in the transaction of fire, personal accident, live stock and marine insurance.

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It is now stated that the expected visit of General Manager Robert Lewis, of the **Alliance of London,** on business connected with the proposed entry of the Alliance into the United States, will be postponed for a time. The announcement, says a British paper, is puzzling to British underwriters.

Local agents at Spokane are agitating the organization of a **"Northwestern Association of Local Fire Insurance Agents,"** to cover the States of Washington, Montana, Idaho and Oregon. The movement is a result of the feeling that the Pacific Coast Board has discriminated against them.

The **resignation of H. H. Rimington** as managing underwriter of the Jefferson Fire of Philadelphia is announced. He will remain with the company until his successor, who it is understood has already been decided upon, is ready to assume the duties of the position.

The resignation of J. D. E. Jones, who was first vice president, general agent and founder of the **Puritan Life of Providence, R. I.,** has been filed. It is said there was a lack of support from his associates. Mr. David J. White may be his successor as general agent.

By the present uncovering of graft among legislators at the sessions of the **Merritt investigating committee** it is unlikely that insurance matters will be reached soon. It has been stated that no effort to investigate insurance will now be made until after election.

In the paper which he was prevented by illness from reading at the annual meeting of the National Association of Fire Insurance Agents, **Insurance Superintendent Barnes, of Kansas,** upheld State fire rating, and charged the companies with a fear of classification.

The engineers of the National Board of Fire Underwriters have found **conditions in Oakland, Cal.,** far from ideal. Their report says that proper building construction is lacking, that wall openings are in the main unprotected, and that the water supply is inadequate.

The **Fire Insurance Club of Chicago** has postponed the address on "Fire Insurance on Railway Properties," to have been delivered October 25 by Manager Fisher, of the Western Railway Underwriters, and will probably devote the evening to the fire insurance patrol.

Berkeley, Cal., is badly constructed from a fire underwriting standpoint, according to the report of National Board engineers. A weak water supply adds to the fire hazard of the city. The fire department is praised for its organization and efficiency.

The **New York Underwriters** have transferred Special Agent C. H. Carpenter from Iowa to the mountain field. Mr. F. W. Edler goes from the home office to Iowa and Mr. A. T. Ranus is sent from the home office to assist in the Illinois field.

The fire insurance companies assessed to meet the **expenses of the Texas fire rating board** during the fiscal year ending August 31 have been slow in remitting, is the complaint from the Insurance Department of that State.

The **Union National Accident of Pennsylvania** has been barred from Ohio because a majority of its capital stock is held by a holding company whose legality the Ohio Insurance Department questions.

The Vancouver advisory committee has recommended that the **Continental and Fidelity Underwriters** be admitted to membership, with the right reserved to the companies to pay contingent commissions.

The liquidation of the **Houston Fire and Marine of Texas,** which went into receivership in 1908, has been completed. Shareholders received $21.70 per share after the claims had been paid off.

The conditions at **Alameda, Tex.,** do not favorably impress the engineers of the National Board of Fire Underwriters. They complain of the conflagration hazard and the weak water supply.

Marquette University, at Milwaukee, has added a **course in fire insurance** to its curriculum. The course will consist of evening lectures by experts, under the direction of Dean Webster.

The charges of excess brokerages and commissions are to be investigated by the **Suburban Fire Insurance Exchange,** a committee of five having been appointed this week.

One of the speakers at the first meeting of the season of the Life Underwriters' Association of Chicago was Secretary **Henry E. Ide,** of the Home Life of New York.

Adjusters sent to work on the **losses in the Northwest forest region** lived aboard their special train, there being no hotels left at which they might stop.

The new governing committee of the **Western Union** has re-elected Walter H. Sage **chairman** and elected A. G. Dugan, of the Hartford Fire, vice chairman.

The **Forest City Life of Rockford,** Ill., has elected the following officers: President, T. V. Engstrom; vice president and general manager, A. D. Warner.

The newly elected officers of the **National Association of Life Underwriters** were installed at a banquet October 17 at the Fort Pitt Hotel, Pittsburgh.

The **Ohio insurance company of New Albany, Ind.,** whose charter was granted in 1849, will shortly increase its capital from $50,000 to $200,000.

The **Northwestern Mutual Life** expects to write more than $120,000,000 of paid for business in 1910, which will break all records of the company.

The plant of the Adeline Sugar Factory Company, of Franklin, La., was totally destroyed last week, with an **insurance loss of $275,000.**

A uniform **policy form for non-marine risks** has been devised by sub-committees of London Lloyds and other Lloyds organizations.

The Commercial Union has **retired from all unprotected towns** in Texas, reinsuring its business therein in the Home.

The **Swiss Reinsurance Company** of Zurich, Switzerland, was this week authorized to do business in New York State.

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Dogs exceeding 50 marks in value may now be **insured** by a company formed for the purpose at Frankfort, Germany.

A report from Vienna states that an insurance company is being formed at Jerusalem which will **insure only Jews.**

A bill providing for a **State fire marshal department** has been drafted by the **Oklahoma** Insurance Department.

The **Yorkshire of York,** England, will be represented in this country by Frank & Dubois for surplus lines.

The **Capital of New Hampshire** has reinsured its Minnesota business in the Phœnix of Hartford.

The executive committee of the **Detroit conference** will meet at Detroit December 12.

The **Iowa State Fire Prevention Association** will meet at Des Moines October 21.

The city of **St. Paul, Minn.,** may establish an insurance fund for its school buildings.

The **Delaware of Philadelphia** has been licensed in Oregon.

Personal.

AGENCY APPOINTMENTS.

Calumet Fire: C. D. Cobb & Co., general agents for Colorado and Wyoming, with headquarters at Denver, effective November 1.

General Fire of Paris: Bennett & Root, agents at Detroit.

Massachusetts Fire and Marine: George H. Olmsted & Co., sole agents at Cleveland.

Union of Paris: Hare & Chase, agents at Philadelphia.

Mr. Samuel Van Wyck, for many years president of the Lafayette Fire insurance company of New York, from which he retired ten years ago, died Tuesday at his summer home, Amagansett, L. I., of diseases incident to old age. Mr. Van Wyck was born at West Hills, L. I., December 23, 1824.

Mr. Frank Viele, formerly superintendent of agencies of the Boston Mutual Life, has been elected secretary to succeed H. A. B. Peckham, resigned, and has also been made director of agencies. His former assistant, Robert King, is now general supervisor of agencies.

Mr. H. A. B. Peckham, secretary of the Boston Mutual Life, has resigned to become secretary of the Empire Life of Seattle, Wash. President Bradley, of the Empire Life, was formerly manager of the Boston Mutual.

Mr. J. Montgomery Foster, the first insurance commissioner of the State of Pennsylvania, died at his home in Mercersburg this week, aged sixty-two years. He was insurance superintendent from 1873 to 1891.

Mr. E. V. Hoyt, for some time the efficient superintendent of ratings and inspections for the New York Suburban Fire Insurance Exchange, has resigned, on account of which much regret has been expressed.

Mr. D. R. Frary, special agent of the Continental insurance company for southern New Jersey, has resigned to go with W. H. Burkhardt, who furnishes the New Jersey advisory rates.

Mr. William H. Blackford, president of the Maryland Life for twenty-three years, died at Baltimore October 17, aged sixty-nine years.

General Manager Charles Alcock, of the Royal, is in this country in conference with Royal department managers.

Insurance Commissioner E. C. Cooper, of North Dakota, is on a hunting trip in the foothills of the Rockies in Montana.

Mr. A. R. Hosford, of the Royal, arrived home this week on the Lusitania from a European trip.

Casualty and Surety Insurance.

The Belmont Park **aviation** meet, now in progress on Long Island, has made necessary several kinds of **insurances.** The public liability is said to have been written by London Lloyds for a limit of $500,000 at a premium of $2,500. The aeroplanes were insured while in transit by the Columbia insurance company of Jersey City for 3½ per cent., and the employers' liability is with the General Accident for the usual $500-$10,000 limit, and includes also the workmen's compensation indorsement. About $15,000 fire insurance on hangars and other property is carried at 1 per cent. for one month. Besides these policies the foreign machine owners are bonded that their machines will not be sold while here, thus avoiding the payment of duty.

The **Fidelity Trust Company of Louisville,** Ky., has received a check for $10,000 from the Guarantee Company of North America in payment of the full amount of its bond of suretyship on August Ropke, ex-secretary and bookkeeper, who recently defaulted for over $1,400,000. Ropke's peculations extended over a period of fifteen years, notwithstanding that an expert auditor was engaged for about four months of each year in checking up the books and accounts of the institution. Ropke had the full confidence of his employers, as well as of the community generally.

The **Preferred Accident** is a quarter of a century old this month, and is practically independent. It is almost arbitrary in its selection of risks, discards the accumulations feature as not absolutely essential to its success, and declines more business than it accepts. Notwithstanding all this, it continues to pay the rent and the weekly salary roll, and incidentally seeks to pay claims promptly. Messrs. Atwood and Potter are entitled to congratulations.

Among the **new national banks** whose applications to organize were approved this week are the following: The First National Bank of Genoa, Genoa, N. Y., capital $25,000; the Claremont National Bank of New York, N. Y., capital $200,000; the First National Bank of Hicksville, N. Y., capital $50,000, and the First National Bank of Cordova, Alaska, capital $50,000.

The plan for guaranteeing **cotton bills of lading,** thought to have been satisfactorily arranged last week, was rejected by the cotton men, who object to the expense, and the matter is now in abeyance pending a new arrangement. The time limit has been extended, and the surety men have come forward with another proposal.

It is announced that the manager for the new Royal Indemnity Company will be **Mr. Charles H. Holland,** who has just arrived from Australia to look over the field. He has spent about three years in organizing the Royal's casualty business in the Australia and New Zealand fields.

Two cases under the **liability law** have just been tried **in the New York courts,** by which it was established that aqueduct contractors are liable for injuries to their employees in cases where under the old law they would have escaped liability. Verdicts aggregating $10,000 were awarded.

The **Great Southern Accident and Fidelity of Atlanta** is said to have experienced an operating loss of $18,000 up to August 31. Its capital at starting was $245,400, for obtaining which its promoters were paid $131,377. The company began business this year.

Detectives in the employ of the Fidelity and Deposit of Baltimore have captured John Majores, who is **charged with embezzling $10,000** from a Hungarian banker at Scranton, Pa., in September, 1909. He fled to New Zealand in an endeavor to escape.

Many minor matters of business were disposed of at the meeting of the **Surety Association** last week, and progress was reported in the organization of the reinsurance bureau.

The staff of the new **Interstate Casualty of Birmingham,** Ala., has been completed by the appointment of Reffore

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Jackson as agency manager. The company will write casualty and surety lines.

The Massachusetts Insurance Department has ruled against nickel-in-the-slot **accident policy machines.**

Miscellany.

LIABILITY INSURANCE ASSOCIATION.

Fourth Annual Meeting at Plaza Hotel—Interesting Session Held.

The fourth annual convention of the Liability Insurance Association was held at the Hotel Plaza Wednesday and Thursday of this week. The attendance was the largest in the history of the association, and there were many visitors. President Frederick W. Lawson, United States Manager of the London Gaurantee and Accident Corporation, presided.

The following companies were represented:

Ætna Life insurance company, Hartford (accident and liability department).
Casualty Company of America, New York.
Employers' Liability Assurance Corporation, Boston.
Empire State Surety Company, New York.
Fidelity and Casualty Company, New York.
Frankfort Marine, Accident and Plate Glass, New York.
General Accident Assurance Corporation, Philadelphia.
London Guarantee and Accident Company, Chicago.
Maryland Casualty Company, Baltimore.
New Amsterdam Casualty Company, New York.
Ocean Accident and Guarantee Corporation, New York.
Pennsylvania Casualty Company, Scranton.
People's Surety Company, New York.
Philadelphia Casualty Company, Philadelphia.
Pacific Coast Casualty Company, San Francisco.
Travelers insurance company, Hartford.
United States Casualty Company, New York.
United States Fidelity and Guaranty Company, Baltimore.
Union Casualty Company, Philadelphia.

The last named company was elected to membership by the executive committee the first day of the convention. The Ætna Life resigned the membership of the life department of the company.

MR. WOLFE ON LIABILITY LOSS RESERVES.

Following the brief consideration of routine reports the subject of liability loss reserves was taken up.

Mr. S. H. Wolfe read the following paper on Liability Loss Reserves:

I have been asked by the executive committee of this association to read a paper on the subject of "Liability reserves and the effect of the new Compensation Law on the question of reserve, with particular reference to the method of calculating the latter."

The program of this meeting owes its existence to the enactment of certain laws bearing upon the payments which employers are compelled to make to their employees in the event of injuries to the latter from accidental causes during employment. A diligent search among these statutes fails to reveal any mention of the word "reserves." The lengthy title of the subject upon which I have been asked to address you indicates, however, that there is some intimate connection between the two matters.

An idea which is more or less prevalent (not only among those engaged in the liability business, but also among other underwriters) is that the reserve is in the nature of a penalty prescribed by the State, or is an arbitrary test created by the same power as a measure of solvency. In reality, both of these viewpoints are wrong. If no supervising officer existed, if the State took no interest in the progress of insurance companies, and if no laws designed to reveal the solvency or insolvency of an insurance company had ever been enacted, there would still exist the necessity for the creation and maintenance of a reserve fund. It is to the insurance business what the governor is to the the steam engine—a control to prevent self-destruction from abnormal and undistributed operations. And as the governor on the steam engine is primarily intended for the preservation of the engine, so is the reserve fund an absolute necessity for the insurance company.

The recognition and admission of this idea will convince one of the intimate relation between the reserve fund and the future history of the corporations engaged in the business. I care not how effectively or how adroitly a company may have delayed the enactment of proper legislation or may have failed to properly make the returns called for by existing statutes, the fact remains that unless a proper reserve liability be maintained, no company can hope to escape the action of natural laws and the penalty prescribed for their violation.

A great deal of attention has been directed to the formation of some effective means of calculating that elusive item,

THE RESERVE FOR UNPAID LOSSES.

A committee of underwriters connected with the different companies has been collecting data upon which to predicate a law, and has submitted a number of plans, the application of which in most cases yields results so widely at variance as to lead to the conclusion that the basis of some of them does not rest upon proper scientific foundations. In the case of one company the application of three of these plans showed that the loss reserve should be as follows:

Plan 1—$136,444.
Plan 2— 224,038.
Plan 3— 209,974.

In the case of another the figures were:

Plan 1—$4,097,150.
Plan 2— 3,229,880.
Plan 3— 3,555,461.

Thus indicating widely divergent results. The great danger in a discussion of this kind is that our earnestness and zeal and attempt to be absolutely correct and scientific, may cause us to lose sight of certain essentials.

"If once, the shadow to pursue,
We let the substance out of view"

we shall certainly fail to arrive at a satisfactory result.

Removing, then, from the question of liability loss reserves any reference to a State enactment or of a penalty, and regarding them as they should be, simply in the light of an intimate and necessary adjunct to a company's affairs in much the same way that we would regard its premium income or its interest account or its officers' salaries, we find that the question of future losses is directly affected by each of the following factors:

(a) The inherent worth of the business—which may also be called the underwriting factor, since it reflects the skill and acumen of the men in charge of the business.

(b) The methods of settlement—which may also be called the adjusting factor, since it represents the attitude of the officers who are in charge of the adjusting department.

(c) The results of court decisions—which may be called the litigation factor.

(d) The general attitude of the law makers—which may be called the legislative factor.

Before discussing, however, the relative effect which each of these factors has upon the total result, it will be advisable to refer briefly to the

PRESENT METHODS OF CALCULATING THE LOSS RESERVES

required by the statutes of the different States, with particular reference to their merits and demerits: it will likewise be instructive to notice to what extent the different methods take cognizance of the foregoing factors.

Upon the statute books of New York and some of the other States will be found a method which for the sake of brevity we may designate as "the New York law"; the underlying principle here is the division of all future loss payments into two broad sub-divisions: first, those claims upon which suit has been brought and notice of the occurrence of the accident has been in possession of the company more than eighteen months, and, second, those claims the notices for which the company has received within the preceding eighteen months. It is difficult to find any merit in this method, and its defects are so glaring and so well recognized that it is unnecessary for me to consume your time in pointing them out. As long ago as February, 1908, the writer prepared a paper, which appeared in one of the insurance journals, pointing out the insufficiency of this method; the active cooperation of the Insurance Department of the State of New York with liability underwriters in an attempt to obtain a better basis is an indication of the general recognition of the insufficiency of this method of computing the liability.

The second method is in use in one of the States, and is based upon the assumption that a company will ultimately have to pay

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a certain percentage of its premiums to policyholders, and the unpaid portion should therefore be maintained as a liability. The merit of this method lies in that it recognizes the necessity for the sub-dvision of the premiums and the enforced segregation of those portions of the premium income which will be used for the payment of losses. Manifestly, however, such a method fails to visit upon the head of the incompetent underwriter a sufficient penalty for the charging of too low a premium, and the attempt of the statute to guard against this by placing in the hands of the insurance commissioners the right to increase the percentage in certain cases is an attempt to correct the evil by the use of a more objectionable one, viz., the clothing of an official with discretionary power without requiring that he be scientifically equipped to handle the situation.

From the foregoing we may conclude that neither of the two methods is satisfactory, and we are strengthened in our belief by the fact that the question of liability reserves is receiving so much attention at the present time, with no attempt to defend the two methods or to base future statutes upon them. The companies have realized this, and in a frank, open way have asked the supervising officials of the various States to co-operate with them in devising some method of meeting this situation.

The effect of the new workman's compensation law will be far-reaching; we know that it will affect the losses which will be incurred, but we cannot say at this moment to what extent; we know that it has affected the premiums which the assured will be required to pay for their protection. It will naturally follow, therefore, that the loss reserves must be modified if they are to reflect the new conditions. Manifestly the ideal method of computing this new liability will be the one which will take into account as many of the four factors which I have previously mentioned as possible, and which will assign to each its relative weight.

Let us examine them in the reverse order in which they have been stated:

THE LEGISLATIVE FACTOR.

Who can say what the next day will bring forth in legislation? We are able, however, to observe fairly accurately the trend of legislation, and gauge the ideas which seem uppermost in the minds of legislators. The defenses upon which the employer formerly relied in meeting an action brought by an employee are one by one disappearing, and the new law on the statute books of New York is undoubtedly an entering wedge to a system of compulsory compensation, similar to the one now in force in certain European countries. This is in line with the advance of socialistic ideas, so noticeable in every avenue of human activity in this country as elsewhere. New York has placed on its statute books definite enactments to this end; a number of other States have appointed commissions to consider the matter, and it is but to be expected that their reports when presented will be largely influenced by the completed action of New York. It would be the worst kind of self-deception upon the part of underwriters to assume that this tide can be stemmed. The part of wisdom is to drift with it, and to assume that at this moment it has not yet reached its floor. The present New York compensation act applies to eight hazardous occupations only. Who among us believe the application will not be extended to other fields of activity?

THE LITIGATION FACTOR.

The legislators place upon the statute books certain acts dealing with the relations between the employer and the employee; the courts construe these acts. Hand in hand with the tendency of legislatures to make it more difficult for the employer to escape the results of accidents to his workmen will be found the decisions of the courts. Awards for larger amounts have a direct bearing on the subject of loss reserves, and this phase of the situation must unquestionably be affected by the definite amount of the recoveries specified in the new compensation act.

THE ADJUSTING FACTOR.

In the same way that judicial awards are influenced—unconsciously, perhaps—by the arbitrary standards prescribed by the present workman's compensation act, so will the question of adjustments be likewise affected. Formerly there existed no basis upon which an adjustment could be made; today the law sets forth certain standards applicable to the eight hazardous occupations, and although not applicable to other cases, it enables the injured employee and his attorney to find some official figure upon which to base his demand for a settlement. In considering this phase of the question, it should likewise be borne in mind that methods differ among the various companies transacting liability insurance. In the opinion of some underwriters the best results are obtained from prompt and early settlements; the others believe in forcing a large number of claims to litigation. If, therefore, we attempt to calculate the loss reserve upon the basis of periods of settlement, we shall find that we are introducing an error which will seriously affect the scientific integrity of our calculations.

THE UNDERWRITING FACTOR.

Since the premium is the basis for all insurance, I think I am justified in assigning to this factor the place of chief importance.

The consideration for a liability policy, the premium, may be properly divided into two parts: first, that portion intended to pay losses and loss expense, and, secondly, the portion intended to cover all of the necessary disbursements of the company—salaries, rents, dividends, etc. With the exception of the interest on its invested assets, an insurance company has no other source of income. In order to facilitate this discussion, I shall refer to the first portion of the premium as "the pure premium," and to the second as "the loading."

The five possible situations which we can then have are:

1. That the pure premium is just sufficient to pay the losses (irrespective of the date of settlement), and the loading just sufficient to meet all of the expenses; in this case the underwriting department will show that it is self sustaining, and the surplus will be increased by the interest received on the investments.
2. That the pure premium is insufficient to pay the losses, but the loading is sufficient to meet the expenses, in which case the underwriting department will show a loss, and the increase or decrease in the surplus will depend upon the ability of the interest income to overcome the underwriting deficiency.
3. That the pure premium and the loading are both insufficient to meet the needs for which they are intended, and the increase or decrease in the surplus in this case will depend, as in the second case, upon the amount of interest received.
4. That the pure premium is in excess of the amount necessary to pay the losses and the loading larger than the expenses incurred, in which case the surplus will be increased not only by the interest receipts, but also by the excess in these two factors.
5. That the pure premium is in excess of the amount required to pay the losses, while the loading is insufficient to meet the expenses; in this event if the underwriting profit and the interest income are sufficient to overcome the deficiency in the loading the surplus will be correspondingly increased.

In the foregoing five cases I have referred to the underwriting profit not as it is commonly understood in the underwriting and investment exhibit required by insurance departments, but rather with particular reference to the profits resulting from a comparison of the losses sustained with the pure premium charged.

I have referred to these five possible conditions in order that we may be led gradually to the idea which I have in mind, viz., the derivation of the "pure premium." The "loading" presents no great difficulty, for the expenses of a company are at all times within its control, and are not subject to the same disturbing causes that affect the other factor.

IS IT POSSIBLE TO OBTAIN A PURE PREMIUM?

The law of averages applies to liability insurance as it does to every other field of activity; the practical operations of insurance companies would be rendered impossible without it. It will require no demonstration upon my part to prove that the larger the number of happenings exposed to observation, the more reliable will be the resulting statistics, and it seems to me that therein lies a solution for this problem; in other words, that a careful observation of the practical operations of the companies will enable us to derive the actual cost for the various forms of policies, i. e., the pure premium for the particular hazard. I imagine that no company in this country has been able by its own operations solely to accurately fix the cost for each particular class; individual companies have individual underwriting and adjustment ideas. If we were able, therefore, to obtain the experience of all the companies and correctly tabulate it, we would have not only the benefit of an extensive field of observation, but in addition thereto we would be able to eliminate those conditions which, I have just pointed out, may be peculiar to any one company.

Attempts in the past to get the companies to co-operate in the preparation of statistics of this kind have not been successful. It is not my intention to attempt to find out why the movement has not been a success. I am convinced, however, that failure must inevitably result from an attempt to secure the figures by mere company agreement. In this emergency it would appear that the State could profitably and properly step in and require the tabulation to be made under its supervision. Under those circumstances all companies would doubtless be glad to contribute their experience with a full realization that the details of their business would not be exposed to the gaze of

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competitors, but would be used solely for the purpose of deriving a factor which they need for their own protection.

I am fully aware that an objection against the use of "pure premiums" derived from the experiences of the past will be urged. I recognize fully that the changes in the laws and in the attitude of the courts, which I have pointed out a few moments ago, will operate to render those premiums more or less insufficient, but ways exist for correcting this condition. In the first place the calculation would be a continuing process, and each year, therefore, there would be introduced a correcting factor. In the second place it would be possible in my opinion to provide temporarily for an arbitrary constant which would represent the necessary addition to the pure premium according to the best judgment of competent underwriters.

Having derived the pure premium, the procedure to obtain the reserve would be as follows: The business of any calendar year would be arranged by classes and opposite each class would be placed the pure premium (plus the constant) which should have been received on the basis of the standard experience. From such net premium receipts would be deducted the payments which have been made to policyholders in each of the tabulated classes. The difference between the premiums and the payments would be the amount which the company should hold as a reserve to take care of the future losses of that class. As the claims of each year are disposed of the reserve would automatically disappear.

It will be noted that the application of this method for a number of years will yield results which will not require the use of the arbitrary constant referred to, and it seems to me that among the advantages which it possesses is the one which removes from the consideration of the loss reserve, the premium which was charged to the insured; rates made in competition, therefore, cease to be a disturbing factor in this method of calculation.

I have attempted to show that

THE PREMIUM IS THE SUBSTANCE, AND THE LOSS RESERVE IS THE SHADOW;

if the premium be once derived by safe, sane methods, loss reserves will take care of themselves. The derivation of the premium in the manner outlined will enable the State to insist that no premium lower than the recognized minimum rate shall be charged by any company. Similar action is now enforced by the State in its supervision of life insurance companies, for if one of these companies should use premiums less than those prescribed by the tables of mortality and interest fixed by the State as a minimum standard, it is visited with a penalty in the shape of additional reserves, and the penalty has proven to be severe enough to deter any company from following a course which in the opinion of the State would be unsafe.

The method suggested above would entail no hardship upon the well managed company; if the minimum rate should be higher than that required by its careful underwriting, the difference would be temporarily carried in its loss reserve and ultimately find its way into its surplus.

To summarize, I would say that in my opinion the new compensation law will have a decided effect upon the loss ratio of the companies, and therefore upon the question of reserves which should be maintained for the unpaid losses. For the method suggested above, no originality is claimed, for the idea must have been in the minds of practical underwriters for some time. If, however, I have succeeded in making the necessity for concerted action in this direction more apparent to you, I feel that I have accomplished the purpose of my talk.

Following Mr. Wolfe came Mr. Charles Hughes, of the New York Insurance Department, who supplemented his own remarks by reading an extract from the address of Insurance Superintendent Hotchkiss to the Board of Casualty and Surety Underwriters the day previous, in which he referred to expenses.

MR. HUGHES ON LIABILTY LOSS RESERVES.

His subject was "Liability Loss Reserves and the Effect of the New Compensation Law on the Question of Reserves, with Particular Reference as to the Method of Calculating the Latter." He discussed at some length the question of the amount which a liability company should charge and the laws already in force in a number of States regulating this charge. Alluding to the general feeling that has existed some years that the reserves produced by the present laws are inadequate, and the formation in consequence of a committee composed of the officers of the various liability companies to study the subject, he reviewed in detail the several plans which the committee has submitted to the consideration of their companies and the State insurance departments. Continuing from this point, Mr. Hughes said:

The suggestion has been made that any new law should commence somewhat as follows:

"Each such company shall charge as a liability an amount equal to the present value of its outstanding liability losses; in no event, however, shall such amount be less than the reserve for liability losses computed as hereinafter provided."

The purpose of this is to "put it up" to the company to charge more than the reserve computed on the basis provided in the law if the peculiarities of the company's business indicate any necessity for a higher reserve. It seems perfectly proper to put the onus of carrying sufficient reserves on the officers of the companies, who are, or should be, in a better position to estimate the reserve than State officials. Another thing which prompts this suggestion is the fact that in the past one or two companies have charged merely the reserves produced by the law, knowing them to be very inadequate, giving as the reason that they are doing everything required by "the law."

The Legislature of the State of New York at its last regular session passed two laws which are vitally interesting to companies transacting liability business. One, known as Chapter 362, practically does away with the "fellow servant" defense for the employer, and also provides that an employer and his employees can voluntarily agree to adopt a workmen's compensation plan which shall be binding on both parties. The other, known as Chapter 674, provides a compulsory workmen's compensation plan for certain hazardous occupations.

If time allowed it would be interesting to discuss what occupations may be covered by the compulsory workmen's compensation law; the possibilities are too great, however, to be undertaken at this stage of a paper which is already too long, and the decisions of the courts on this matter will be awaited with considerable interest.

The question has been raised as to whether "workmen's compensation" policies are "liability" policies.

For the purpose of discussing this question, workmen's compensation policies may be divided into three classes:

(1) Policies issued to cover "compulsory" workmen's compensation.

(2) Policies issued to cover "optional" workmen's compensation, where the employer and the employees have agreed to adopt it.

(3) Policies issued to cover workmen's compensation where it is not required by law, and where no agreement exists between employer and employees.

The clause of the New York law under which insurance companies obtain their right to transact liability business is Subdivision 3, of Section 70, and reads as follows:

"Insuring anyone against loss or damage resulting from accident to or injury suffered by an employee or other person, and for which the person insured is liable."

Policies issued to cover "compulsory" workmen's compensation come squarely under the sub-division quoted, as the law says the employer shall be liable.

Policies issued to cover "optional" workmen's compensation also come squarely under the sub-division quoted, as the law provides that when a certain agreement is executed the employer shall be liable.

Policies issued to cover workmen's compensation, where it is not required by law and where no agreement exists, can be considered as coming under the sub-division quoted if it is assumed that the employer takes out the policy on the ground that the compensation is the amount for which the courts under the general liability law will probably decide he is liable.

The next point to be considered is whether these policies will have to be considered as liability policies for the purposes of calculating the loss reserve. Section 86 of the New York law providing for liability loss reserve, reads as follows:

"* * There shall also be charged as a liability to each company which undertakes or writes insurance under sub-division three of Section 70. * *"

It would appear, therefore, that as the present liability loss reserve law stands, workmen's compensation policies are liability policies, and the two classes of business will probably overlap to such an extent in the future that no useful purpose will be served by attempting to provide two different methods of

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calculating loss reserves, one for the ordinary liability business and the other for workmen's compensation business.

It is apparent that the broadening of the employers' liability law of this State will materially increase the average cost of each notice of injury and will also increase the average cost per $100 of earned premiums. The compulsory workmen's compensation law will have a similar effect, for the reason that even if the companies were in possession of enough data to calculate the exact premiums necessary to cover the risk, the percentage of commission paid to agents will have to be much smaller than the percentage hitherto paid on ordinary liability policies. There are two reasons for the decrease in the agents' commissions: one is that otherwise the premiums would be so high that the employers would start companies of their own, and the other that the employer who is subject to a workmen's compensation law will not require any education on the subject of the necessity of carrying insurance.

The following quotation from the latest report of the Ocean Accident of London, England, as given in the *Vigilant* for June of this year, with regard to the effect of the workmen's compensation law on the ultimate loss ratio on liability business is most significant:

"The percentage of claims is still increasing day by day, which shows that the experience in claim making is growing wider and more rampant. The claim ratio of the forty-one offices forming the Accident Offices Association was no less than 65.09, calculated on sums put aside for claims, but I fear that, instead of 65 per cent., it will be much higher. The combined returns of the outside companies showed a claims ratio of 69.21."

The "committee on reserves other than life" of the National Convention of Insurance Commissioners has given considerable thought to the question of the sufficiency of the reserves produced by the various liability loss reserve laws of the different States, and in its report to the convention at Mobile, in September of this year, suggested that it be instructed to continue its study of the matter with the committee of the companies, and endeavor to frame a law and submit it to the insurance commissioners of the States in time for them to introduce it at the next legislative session.

It is proper here to refer to the whole hearted manner in which the members of the companies' committee have devoted much time and energy to the study of this matter, and the compilation of a great quantity of most instructive statistics.

New companies are springing up every day, and it is most important that they should not be permitted to accumulate a large premium income without carrying a proper reserve to provide for the large amount of deferred loss payments which must inevitably be made. A new law producing adequate reserves will act as a protection for the older companies against suicidal rate cutting by new companies, and will also protect the new companies against the fatal results of their own optimism. This result can probably be best obtained by adopting a reserve law based on a minimum definite ultimate loss ratio.

The latter part of the afternoon session was devoted to an executive session.

THURSDAY'S PROCEEDINGS.

The report of the nominating committee was received at the opening of the Thursday morning session, by the adoption of which the following officers were elected:

President, A. Duncan Reid, executive superintendent of the Ocean Accident and Guarantee Corporation.

Vice president, Theodore E. Gatey, manager of the liability department of the Fidelity and Casualty Company.

Secretary and treasurer, Walter E. Hoag, assistant United States manager of the General Accident Assurance Corporation.

Executive committee, chairman, Charles H. Franklin, United States manager of the Frankfort Marine, Accident and Plate Glass insurance company; W. F. Moore, president of the New Amsterdam Casualty Company; E. T. Green, president of the Pacific Coast Casualty Company; J. J. Murray, of the Employers' Liability Assurance Corporation.

The day was devoted to the consideration of topics concerning compensation legislation for industrial accidents. The first address was by Miss Crystal Eastman, who is an attorney-at-law and secretary of the New York State Commission on Employers' Liability and Causes of Industrial Accidents. Miss Eastman argued that the compensation plan, providing a definite amount for each accident, would help to reduce the number of preventable disasters.

The next speaker was Mr. H. V. Mercer, a member of the Minnesota commission on compensation legislation. He said in part:

The result of the tabulation of statistics secured by our committee on statistics and cost will have a serious bearing on what is recommended in the way of a bill. The important thing is this: That from the employer's standpoint and from the standpoint of the insurance companies, the fundamental principle is to insure, all based upon a law of averages, and the more complete and more general the employments covered by a compensation plan, the more will be reduced the cost of insurance, and uniformity of legislation will help in that way.

Personally, I believe it is the one question that transcends all of the rest, and that is the idea of uniformity. Uniformity means, as I stated before, less cost, and as a business man I think that is essential. Nothing is worse. This question that it should be left on the one hand to, perhaps, the conservative employer who, always feeling that in the regulation of his business, naturally as you do, that he is better fitted to manage it than anybody else —that is his general attitude, no matter how progressive he is. On the other hand is the pressure of labor, which is seeking its betterment without any necessary reference to the altruistic features. And the third is the sentimentalist who does not consider very much the economic questions at all. So that you recognize in the National Civic Federation an ally that wishes to bring the most practical thought obtainable.

Mr. August Belmont, who is the chairman of the department of compensation for industrial accidents and their prevention of the National Civic Federation, spoke at some length. Among other things he said:

Our department is composed of employers, representative labor men, attorneys, who have given especial consideration to the subject, insurance experts, economists, State officials, members of State compensation commissions, and all elements concerned about this great problem from thirty-five States. But quite apart from that it is a matter of interest to every individual of the community, because it is recognized that the subject is a burning one; that something must be done and that something is being done in one direction or another, always bearing upon one thing as its ultimate result.

The one thing that is most prominently before the people today is the cost of living, for you can put no burden in any form upon the employer, which, in the long run he is not compelled to secure. If it is a burden greater than anything that his industry has borne in the past, that he must ultimately secure from the consumer. Of course, then, so far as the insurance is concerned, the lower the rate that you find you can allow for such insurance as will result from this question when it is settled, so much less will the burden upon the industries and therefore so much less will it bear upon the cost of production. That is why every man, woman, and child in this country is interested in this particular subject.

Those present were guests of the association at an excellent luncheon, after which the first address of the afternoon was made by Mr. John Mitchell, former president of the United Mine Workers of America, and now member of the New York commission on employers' liability and causes of industrial accidents. Mr. Mitchell declared that the workingmen of the country take more interest in the prevention of industrial accidents than they do in compensation after an accident has occurred. He said in part:

The number of men injured in the United States is not even counted, but it is a strange commentary on this country that more than twice as many men are killed in industrial accidents than in any other country of the world. The casualties of industry exceed those of war, most of them being preventable. There was a time when a man could purge himself of murder by payments to the family. So now employers may, by the payment of ludicrously small sums to the maimed or to the widow of the killed employee, discharge his obligation to society.

Because of insurance it is frequently less expensive to permit a workman to be killed than to provide safeguards for him, and we are led to the conclusion that if it cost more to kill than to protect, the workman would be protected. Manufacturers should be required to install safety appliances, and our iniquitous and antiquated laws regarding liability should be supplanted by laws more adequate.

Mr. Miles M. Dawson, who has made a special investigation

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of the subject of compensation and industrial accidents for the Russell Sage Foundation and the United States Commissioner of Labor, was the next speaker.

MR. DAWSON ON WORKMEN'S COMPENSATION LAWS.

The address on workmen's compensation laws by Miles M. Dawson described the features of the laws of various European countries. Continuing, he said:

The question arises very naturally as to what attitude ought the government of the United States or the various State governments to take toward insurance under workmen's compensation acts. Doubtless there will be found persons who will argue in favor of one or another of these systems. Clearly, if the system of Germany or the system of Norway, for instance, were introduced the solution would be very thorough and complete. Among the arguments in favor of doing this will probably be found the proposition that such a system might be nationwide, and that therefore a large saving might be effected by avoiding the creation of an enormous army of agents with commission payments to them of 10 or even 15 per cent. of the premiums, involving perhaps a charge upon industry of at least $30,000,000 per annum for commissions alone. Similar arguments will doubtless be advanced for State insurance, though confined to a single State, and, indeed, State insurance, on a compulsory basis at that, was already a fait accompli, so far as mining is concerned, in the State of Colorado before any other State had passed an act which in any way recognized the principle of workmen's compensation.

Notwithstanding this, it is perhaps improbable that in our country a system of State insurance, or even of compulsory mutual insurance, will soon be introduced. It is widely improbable that a system such as in Sweden or Denmark, under which a State insurance department is competing with private companies, will be introduced, and there is no great probability that there will be a widespread call for any system of the State guaranteeing that claims will be met whenever employers or the companies in which they are insured become insolvent, as is the law in France.

It seems, therefore, much more probable, and by many it is believed to be absolutely called for by the genius of our institutions, that the workmen's compensation acts in this country should take the form of merely holding the employers liable, and definitely fixing the limits of their liability, and then permitting them to insure or not, as they please, and in such companies or societies as they please. If this, which is precisely what has been done in New York, which has alone, so far, provided directly for the application of the principle of workmen's compensation, is to be the policy throughout the country, then it is respectfully suggested that it should be accompanied by provisions as follows:

First—Requiring the maintenance of absolute solvency on the part of the stock companies and the voluntary mutual associations of employers which cover this risk. To assure this solvency proper standards should be determined upon and set up, and it seems to me that mutual companies should also be required to deposit from time to time with the State assets sufficient in amount to cover the capitalized values of all payments to fall due in future because of accidents which have already occurred. Stock companies should likewise be held up to the same standards, but provided they maintain themselves amply and abundantly solvent, perhaps deposits may not be necessary.

Second—Provision should be made for definitely encouraging the taking of insurance. This can be done by providing in the law that the employer is entirely relieved of liability if he insures in a company or association licensed to do business in the State, and also that he may insure his employees against accidents of all kinds, including those which do not arise in the course of the employment, as well as those which do so arise, and that in such case he may collect a certain portion of the premiums by deducting the same from the wages of the employees. It would be well also as a further inducement to permit employers to insure employees against both sickness and accident, and possibly also death from any cause, making proper deductions from the wages of the employees in sums not exceeding the excess of the cost of this insurance over the cost and value of insurance of the benefits under the workmen's compensation act.

Under such conditions, definitely encouraging the taking of insurance, it is probable that almost all the employers would protect themselves and thereby the workmen, their dependents, and thus society itself, against disasters which will at times overwhelm employers if made liable under workmen's compensation acts and not so protected by insurance.

Mr. P. Tecumseh Sherman, chairman of the legal committee on uniform compensation legislation, spoke on the matter of the constitutionality of the proposed laws.

The addresses were followed by a general discussion, which was participated in by Mr. F. L. Hoffman, statistician for the Prudential, and an authority on industrial accidents and compensation matters, who declared that the cost to employers will increase as the compensation laws develop, and also by several others.

The committee on amendments to the liability loss reserve laws made a supplemental report recommending for adoption Plan B, Variation 1, which was set forth in the main report made public two weeks ago, or Plan B, Variation 2, both somewhat modified. The committee was not unanimous as to the modifications and there was a minority report. Both reports were received for future consideration.

Following an evening executive session the convention adjourned.

Report of a Special Examination of the Prudential Insurance Company.

The New Jersey Insurance Department has published a report of a special examination made of the Prudential Insurance Company, by Fackler & Fackler, special examiners. The report says:

The purpose of this examination was to test the correctness of the company's annual report for December 31, 1909, as rendered to the Department of Banking and Insurance, according to law, and to investigate the affairs of the company since the examination made three years ago.

At the close of business on December 31, 1909, the cash in the company's office was counted and seals were placed upon the vaults containing the bonds and stocks owned or held as collateral; on the first business day thereafter, January 3, the examination of these securities began, and was finished on January 7. The investigation of the mortgage loans was taken up in February, and the other branches of the work in March.

During the three years which have elapsed since the last examination the company has experienced a remarkable growth in all respects. The assets have advanced from $127,000,000 to over $200,000,000, or more than 57 per cent., while the insurance in force has increased from $1,262,000,000 to $1,703,000,000, or more than one-third.

The results of the investigation of the assets and liabilities are shown in a comparative exhibit of the company's statement and the examiners' statement, by which it appears that the admitted assets by the company's statement were $200,643,373.99 and by the examiners' statement $201,637,482.12. The surplus stood: Company's statement, $16,150,077.11; examiners' statement, $16,722,580.59. The examiners' report in detail on all the items of both the statements, and especially commend the treatment by the company of its real estate assets and mortgage loans. Regarding real estate values they say:

The book value of real estate held for office purposes has increased from $11,461,284.75 to $13,000,429.19, mainly owing to an addition to the North Building, which was only partly completed at the close of 1909. The values of lots in the business centre of Newark have increased largely during the past few years, so that the appraised values of the company's holdings are much greater than at previous examinations, and in general since the time of purchase by the company. There are only two properties where the present appraisal is less than the purchase price paid by the company, and in those instances the payment of an excessive price appears to have been a reasonable exercise of discretion, which may be fully justified by future developments, as has been the case in connection with several other properties bought years ago, and now admittedly worth from two to three times their original cost.

The valuation to be allowed on the uncompleted addition to the North Building for the date of December 31 required much consideration. An estimate of the proper cost of such a building erected at this time was obtained from an architect of very large experience in connection with such buildings, and after much

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study of the subject it was decided to allow as an asset the book value stated by the company. The book value of the office buildings which were completed at the date of the last examination has been increased by only $18,792.26 beyond the valuation allowed by the department at that time; those buildings show no signs of depreciation, and the land on which they stand has largely increased in value. It therefore appears proper to allow as an asset the full book value stated by the company.

The properties held for future office purposes are extremely valuable. Those located on Broad and Market streets—between the company's main building and Market street—are the most desirable lots in the city of Newark, and their value has greatly increased within the last few years. Though they do not now yield an income commensurate with their valuation, it appears that they will shortly do so, for the company proposes to erect a first class building thereon, as an extension of its main office building. The examination appraisals of all such properties aggregate $1,009,018.63 more than the book and market values stated by the company.

Of the industrial department of the company, the examiners say:

In the industrial department there were in force at the close of 1909 more than eight million policies, representing insurance in excess of one billion dollars. The company's principal working records of premium paying policies are contained in an enormous card system serving as a register of the business, each policy being represented by a card. The company's report of the outstanding issues of ten years, taken somewhat at random, was examined, several ages of issue being taken in each year. The examiners' count of the cards and addition of the insurance thereon showed that the company's report to the State was substantially accurate, and if anything slightly overstated the liability. The years of issue covered by this test work involved about one-tenth of the total number of industrial policies in force, and, owing to the long duration of some of the groups of policies, the aggregate reserves of the groups tested were nearly one-fourth of the total reserves held for industrial policies.

ANALYSIS OF LEDGER ASSETS.

On this subject the examiners have the following observations:

Examinations of this company were made for the dates of December 31, 1903, and December 31, 1906, and comparative analyses of the ledger assets on those two occasions and the present are instructive, as showing the trend of the company's financial policy during the six year period in which its ledger assets increased from less than $69,000,000 to nearly $193,000,000. The following schedule of percentages shows the relation which each of the items named bore to the total ledger assets at the dates mentioned:

	Percentages of Total Ledger Assets, December 31—		
	1903. Per Cent.	1906. Per Cent.	1909. Per Cent.
Real estate	17.56	10.03	7.09
Mortgage loans	19.05	17.37	19.69
Collateral loans	8.35	5.22	2.32
Policy loans	2.34	3.98	6.33
Bonds, government and municipal	1.85	3.86	7.07
Bonds, railroad	25.08	41.34	41.54
Bonds, miscellaneous	10.59	8.85	8.87
Stocks	4.14	2.31	1.50
Cash and bank balances	11.03	7.04	5.59

It is notable that the percentage of real estate has fallen more than one-half since 1903, and it is quite possible that even after all the extensions now planned have been finished, providing available office space for very many years to come, the proportion of real estate will not be greater than it was at the close of 1906. The great increase in policy loans is largely due to the special demand during the recent financial depression. The proportion of government and municipal bonds shows a marked increase from 1.85 per cent. to 7.07 per cent. The amount invested in stocks was slightly increased during 1909, but the proportion has decreased from 4.14 per cent. to 1.50 per cent. The proportion of cash on hand and in banks was little more than one-half of what it was at the beginning of the period. The cash and collateral loans taken together made up more than 19 per cent. of the ledger assets December 31, 1903, but were less than 8 per cent. at the close of 1909.

The company has been very prompt in the payment of policy claims, and the investigation of resisted claims—those already settled, and also those still in litigation—showed that the company contested only cases where evidence of fraudulent intent on the part of the policyholders seemed so clear that such action became obligatory.

BOARD OF CASUALTY AND SURETY UNDERWRITERS.

Seventh Annual Meeting at Hotel Plaza on Tuesday.

The seventh annual meeting of the Board of Casualty and Surety Underwriters convened at the Hotel Plaza, New York city, shortly after 10:30 o'clock Tuesday morning. The session was called to order by President Franklin J. Moore, of Philadelphia, who is United States manager of the General Accident, Fire and Life insurance company, Ltd., and the following companies were represented:

Ætna Indemnity Company, Hartford.
Ætna Life insurance company, Hartford.
American Surety Company, New York.
Casualty Company of America, New York.
Columbian National Life insurance company, Boston.
Continental Casualty Company, Chicago.
Empire State Surety Company, New York.
Equitable Accident Company, Boston.
Fidelity and Casualty Company, New York.
Fidelity and Deposit Company, Baltimore.
General Accident, Fire and Life Assurance Corporation, Perth, Scotland.
Great Eastern Casualty Company, New York.
Hartford Steam Boiler Inspection and Insurance Company, Hartford.
Loyal Protective insurance company, Boston.
London Guarantee and Accident Company, London.
Maryland Casualty Company, Baltimore.
Massachusetts Accident Company, Boston.
National Surety Company, New York.
New Amsterdam Casualty Company, New York.
New York Plate Glass insurance company, New York.
North American Accident insurance company, Chicago.
Ocean Accident and Guarantee Corporation, London.
Pennsylvania Casualty Company, Scranton.
Philadelphia Casualty Company, Philadelphia.
Travelers insurance company, Hartford.
United States Casualty Company, New York.
Union Casualty insurance company, Philadelphia.

PRESIDENT'S ADDRESS.

The president's address was as follows:

We are gathered here today for the seventh annual meeting of the Board of Casualty and Surety Underwriters, and to again enjoy the opportunity presented by these yearly meetings of giving expression and force to the purposes of our organization, which are to promote good will, harmony, confidence and co-operation and the observance of the amenities that should exist between companies.

It was a happy thought that conceived this board as a vehicle for bringing out from its members the best qualities of their hearts and minds, and as we have given more freely of those things our friends best like in us, the response in kind has been so generous that as time goes on we see each in the other more and more to esteem and appreciate. We owe very much to the influence developed here year by year for every betterment of our business relations; for the improvement, I might say the refinement, of our necessary rivalry and competition, and we owe not less, gentlemen, to the high standards of practice that this organization has advocated for the spirit of equity, justice and clean purpose that characterizes our views of our olbigations to our policyholders.

Most of us are veterans in service. We recognize in our friends gathered here today the sturdy but kindly heart of Shakespeare's character who said:

"Your gentleness will force us, rather
Than your force move us to gentleness."

We have tasted both of victory and defeat, and have lived long enough to know that the victories of peace are the best after all.

Within a few months we have had an opportunity to aid in and bring to a successful conclusion a victory of peace. A condition confronted us, as a result of recent legislation in this State, that was tremendous in its possibilities, and practically every company in the country was concerned. To some co-operation, or the lack of it, spelled, perhaps, success or failure.

It is encouraging that at such a time we find the heartiest approval by all of co-operation, the freest exchange of information, and the most unselfish devotion to good old fashioned hard work to dig order out of chaos. There not only was no evidence of a disposition to take advantage of conditions especially favoring any one of us, but, on the contrary, the hardest of work for the benefit of the whole was done by many that could be regarded as so favored. It was a climax almost to what we have striven years for, and a condition, gentlemen, that speaks well for the future, and is worth every effort to maintain. A subject of vital interest to us, one that has had most exhaustive consideration at our hands, that is one of the subjects we are organized to promote, and, therefore, has our general support, is

FEDERAL SUPERVISION.

Without attempting here to go into any question of its possible merits or demerits, I think I am safe in saying that Federal

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supervision, as a fact, seems to be a long way off. If we consider, therefore, that any change in the near future is improbable, may it not be well to give consideration to supervision as we now have it, without, in any degree, lessening our efforts in the direction of securing something we deem better?

At the convention of the International Association of Accident Underwriters last month many of us heard with great interest a very able address by the Hon. Arthur I. Vorys on "Some Symptoms and Aspects of the Tendency Toward Socialism," and I commend it to the attention of all of you. He dealt with the changing business conditions of the country that is resulting in large labor employing corporations instead of the individual employer of a few men, and the attitude, in consequence, of "labor" toward "corporations."

He did not, but I wish to, remind you here of the attitude of all the people, whether so called "labor" or otherwise, toward

CORPORATIONS, AND THE DISPOSITION TO REGULATE THEM

by supervision or control. You have had called to your attention the statement of John D. Rockefeller, that "Beyond question there is a suspicion of corporations; there may be reason for such suspicion very often, for a corporation may be moral or immoral, just as a man may be moral or the reverse, but it is folly to condemn all corporations because some are bad, or even to be unduly suspicious of all because some are bad."

So general a demand for the curbing of a corporation's ability to do its business in its own way and without interference is interpreted in many quarters as a revolt against the abuse of power and privilege; and whether some corporations have in the past so conducted themselves that they should now be restrained, or whether the common interpretation of the demand for supervision be correct or not, is not necessary of discussion here. The point is this: Insurance organizations are very generally regarded as corporations. Legally, of course, most of us are, but are we standing before the people as "corporations" in the sense that the word is used by the people to describe a condition against which they rebel?

If we are, it must be because they say of us, as they do of other corporations, "We have no soul." While such a charge would be untrue (you know it, and I know it), if our position in the public eye is that of the much maligned corporation, may not some of the supervision and control that is now directed our way follow from that fact?

Our friends, the insurance commissioners, who know us well, admit that our businesses are economically administered; that we aim to give our policyholders the "square deal" now so popular, and that, at the worst, only an occasional instance of injustice at the hands of an insurance company can be found.

My query then is: Have we done and are we doing all that we might to place clearly before all the people an intelligent understanding of the precise position that insurance companies hold in the social and economic problems of the day? We have chosen to embark in

THE INSURANCE BUSINESS,

and I cannot better describe that business than to use the words of my predecessor, President Dunham, who stated in 1908:

"Insurance is commonly regarded as an instrumentality for the distribution of losses. The premium is the contribution of each to the aggregate loss or misfortune. It is useful as an agency for the prevention of loss, waste and misfortune—the principle of inspection applied through the various lines of insurance has unquestionably prevented the loss of millions of dollars and hundreds of lives. It is an important contributor to the prevention of illness and its consequences by reason of its investigations. Insurance companies are quite in conformity with the spirit and practice of an age in which much attention is given to the reclamation of waste and to the prevention of disease, disorder and distress, and this service, in its protection of life and property, and its influence upon the habits and conduct of the people, is of as great, if not greater, value than the four hundred and fifty million dollars of compensation which insurance companies annually pay for loss."

This description of our business, gentlemen, properly and accurately describes a *beneficent institution* rather than one with the attributes of the much disliked "corporation."

When one undertakes to direct the destinies of an organization so humanitarian in its purposes, and so filled with opportunities for good to society at large, his duty is the greater to be influenced and guided only by the highest motives; to recognize that his chosen field of work is with the individual, and that what concerns the public as a whole intimately concerns him.

His energies should be directed to the advocacy and promotion of any measure which has for its purpose the good of the people. If doubt assails him as to his course in any given instance, let him be decided by views favorable to the individual (the people, in other words) whose interests it is our duty to protect. We have done this, of course, but we must do more of it, and at the same time we must undertake to educate the people to the fact that in insurance companies, at least, they have a corporation which stands for them, and a corporate influence in their behalf quite as powerful as any influence, corporate or otherwise, that they may assume is directed against them. My idea, gentlemen, is that continued effort along these lines must develop a sentiment in our favor which will have much to do with the lessening of taxation and the enactment of laws and regulations that the people, through their public servants, are now calling for under the mistaken notion that as "corporations" we must be bad and must be controlled.

There is more that I could say to you; there is much work yet to be done; we have, however, accomplished a great deal; let us go on, and when we meet again next year may the interval be filled with a record of which we may be proud.

Enthusiastic applause was given President Moore at the conclusion of his address.

On account of the necessary absence of Mr. George F. Seward, chairman of the executive committee, its report was presented by the secretary.

REPORT OF THE EXECUTIVE COMMITTEE.

The executive committee made an elaborate report on insurance legislation during 1910, showing the classes of bills introduced and enacted by the various legislatures in session and by Congress affecting all classes of casualty and surety insurance.

The report also discussed the standard provisions bills for accident and health insurance policies, the Missouri suicide law, State taxation of insurance premiums and local taxation by ordinance. The following are extracts:

The work of opposing legislation has necessarily, as last year, fallen very largely upon the older companies with the cheerful aid of the smaller companies—all acting in harmony with your executive committee, and without expense to the board.

With respect to the suggestion that the board should employ an expert in this legislative work and in this way relieve individual companies from trouble and expense, your committee reiterates the opinion expressed in its report of last year that it is not now disposed to recommend such a course.

A good sign of the times is the commendatory effort of the Insurance Commissioner of Virginia, Hon. Joseph Button, who is trying to induce the General Assembly of that State to relieve insurance companies of the onerous municipal taxes. In view of the commission recently appointed in Virginia for the reform and revision of the tax and assessment laws, which is to report to the General Assembly in 1912 a new system of taxation to be effective in 1913, the commissioner believes the time to be ripe for action. With this end in view he asked each of the insurance companies in the State to furnish him with an itemized statement of all fees and taxes paid to the State, and those paid to municipalities.

We believe the efforts of the Insurance Commissioner of Virginia to be in the right direction. High commendation must be accorded those insurance officials who take a courageous stand in this matter, for the fact must not be lost sight of that they are largely dependent, in one way or another, for their official lives upon the lawmaking authorities in their State, which seems in many instances bent upon laying taxes where there is much money easily collected and with but very little reference to the great economic principles and equities that should govern taxation.

Your committee desires to call the attention of this meeting to a condition of affairs that has undoubtedly become very burdensome to all the members of the board. It is the matter of the magnitude of the annual statements required of casualty companies by the State insurance departments and of the brief time allowed for the preparation and filing of such statements.

Although each year sees an increase in the number and complexity of the schedules of the annual statements, yet the companies are, nevertheless, required to file them at the same date as heretofore. It has become increasingly difficult to file the statements on time. A majority of the States require them to be filed on January 31 of each year.

It may be impracticable to get the required date for filing set ahead, for we understand that in most instances the requirement is embodied in the laws of the various States. There is, however, a very simple solution of the problem that seems entirely feasible. It is to divide this statement into two parts—one, the statement proper, to be filed at the time required by law and containing an exhibit of the income and disbursements and an exhibit of the assets and liabilities; second, the schedules, to be filed

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some time later. One State, in fact, Wisconsin, at present divides this statement into two parts, but this is done only for their own convenience, as they demand that both portions of the statement be filed on or before January 31.

Although probably nothing can be done in respect to the December 31 statement of this year, yet would it not be well to inaugurate a campaign with the insurance commissioners, and particularly with their "committee on blanks," for the purpose of gaining at least some relief from the burdens indicated?

In addition to the companies mentioned in the printed report the committee announced that at a meeting held Tuesday morning two other companies had been elected to membership, viz.:

The Loyal Protective Insurance Company of Boston.
The Union Casualty Insurance Company of Philadelphia.

The reference in the report to the work of Mr. Edson S. Lott during the year was greeted with enthusiastic applause. On motion the report was received and ordered placed on file.

A motion inviting visiting State insurance officials and representatives of companies not members of the board to sit in the convention and be guests at the annual banquet was carried. Because of other activities State Auditor Silas R. Barton, of Nebraska, and President Anton A. Raven, of the Atlantic Mutual insurance company, who had been scheduled for addresses, were unable to be present.

The resolutions suggested by the executive committee were then taken up for action, and all were adopted as presented with the exception of one relating to the proposed distribution of the work of submitting the annual report to the insurance commissioners by a division of the report blanks. Secretary Charles I. Brooks, of the Ætna Indemnity, offered an amendment providing for the appointment of a committee to confer with the committee on blanks of the National Convention of Insurance Commissioners, to secure, if possible, the division of the blanks desired. After some debate an amendment to the amendment was offered by H. G. B. Alexander, of the Continental Casualty, which requested the executive committee to adopt such methods as will aid all companies, members, in attaining the objects desired. The latter amendment was adopted, and the original resolution as so amended, minus the amendment offered by Mr. Brooks, was also adopted. The resolutions were as follows:

THE RESOLUTIONS.

In presenting its report the executive committee presents the following resolutions:

Resolved, That the report of the executive committee be received and placed on file.

Resolved, That the board approves the work done by the executive committee in keeping track of legislation, in informing other organizations or companies of bills affecting individual lines, and in contesting bills where the circumstances warranted it and the purposes for which this body was organized permitted it, and desires that such work be continued, and in order that it may be continued authorizes the appropriation of the sum of $1,000 for the use of the executive committee in such connection.

Resolved, That this board considers it desirable that members of this board shall continue to distribute the memorandum on taxation adopted at the meeting of 1908.

Resolved, That the executive committee is authorized to print for the use of the members 1,000 copies of the proceedings of this meeting, and to direct how the same shall be distributed.

Resolved, That a special committee of five of this board be appointed to consider the subject of "Local Taxation," and report at the next meeting as to what measures may be taken to lighten the burden of such taxation.

Resolved, That the board commends to the several members of this body the remarks of the executive committee as to the division of the annual statement, and urges each member to exercise such influence as he can to that end with the authorities of his State.

Mr. John T. Stone, of the Maryland Casualty, filed a proposed amendment to the bylaws which provides for an increase of the annual dues from $20 to $40 per year, which went over under the rules until the succeeding annual convention. Mr. Stone also suggested that a standing committee on membership be appointed whose duties shall be not to pass upon applications, but to secure applications of companies not now included on the roll of members.

The report of the secretary was read by Mr. F. H. Kingsbury, and was ordered on file.

The report of the treasurer was read by the secretary, and showed receipts during the fiscal year of $2,844.59 and disbursements of $1,930.19.

The chair named Messrs. Stone, Lott and Thomas A. Whelan as nominating committee.

The secretary read a subject for later discussion proposed by President Edward A. De Leon, of the Casualty Company of America. It was in the form of a resolution stating that the business in New York State of members of the board had suffered from the invasion of non-admitted companies offering cut rates, and urging that the Board of Casualty and Surety Underwriters recommend to Insurance Superintendent Hotchkiss that action be taken by him to the end that offending companies should suffer the revocation of their license in their home State or be subjected to a fine for repeated offenses of this character.

PRESIDENT DAMON ON THE RESPONSIBILITY OF THE INDIVIDUAL.

President A. W. Damon, of the National Board of Fire Underwriters, and president of the Springfield Fire and Marine Insurance Company, said in part:

In his letter of invitation, your chairman quoted that part of your constitution which states the objects and purposes of your organization, and I was struck by its similarity to a paragraph in ours which reads:

"To promote harmony, correct practices, and the principles of sound underwriting; to devise and give effect to measures for the protection of the common interests, and the promotion of such laws and regulations as well secure stability and solidity to capital employed in the business of fire insurance, and protect it against oppressive, unjust and discriminative legislation."

The importance of the last clause is shown by the fact that in one year, 1909, the insurance laws enacted by the legislatures of the several States fill a book of 1,496 pages. And these laws represent but a small proportion of the bills proposed by members, all of which need watchful care from the date of their presentation.

The fact that you have invited me to speak here today indicates a belief on your part that to a considerable degree our interests are identical. And I am satisfied there is good foundation for this belief and trust it will result in a closer relationship of the two bodies. While our troubles are, many of them, unlike, there are others of a similar character, and along these lines we can work together with much better prospects of success than if we acted independently and without knowledge of what the other was doing. Underwriters in all lines must work together to educate the public regarding the true relationship of the policyholders to the company. They must be made to realize that unjust laws react upon them. That rates of premium are not fixed by the companies, but by those who are responsible for the conditions under which we must transact our business. We must be given a square deal or they must suffer the consequences.

THE NATIONAL BOARD OF FIRE UNDERWRITERS has nothing to do with the making of rates. Its efforts are wholly along lines which tend to reduce rates, and large sums are spent annually to bring about improved conditions which must necessarily cause a reduction in our premium receipts and, of course, a corresponding reduction in cost to the policyholder. Our Committee on Fire Prevention alone has expended $432,742 during the last six years for such purposes. The managers of some companies are too narrow minded or too mean to contribute to the expenses of the board. They fail to realize, much less acknowledge, any duty to the public born of their expert knowledge regarding fire hazards; neither can they see that in the end they are bound to receive substantial benefit from the improvement in conditions sure to result from the dissemination of such knowledge. Their vision does not extend beyond immediate and perceptible results, and so they unblushingly accept the benefits conferred upon them by the labor of others who work for conditions beneficial to the business as a whole. Our board, like your own, has company membership, and 123 companies are enrolled. And in a substantial sense we are competitors, a large percentage not being members of organizations formed to regulate rates and commissions.

At a luncheon recently given by the members of the board of trade of a small New England city to a committee of 100 from another similar board, the point was made by one speaker that business ought to be a competition of service rather than a competition of selfishness. That backbiting, the running down of competitors, the taking of unfair advantage, would react upon the evil-doers and bring suspicion upon all their doings. Continuing, he said, "a man who goes into a board of trade just to see how much he can get out of it, will never be a worthy member." An editorial writer commenting on that speech added,

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"Similarly, a man who seeks merely his own advantage, who cares nothing for the welfare of the community itself, who is perfectly content so long as his own business profits are secure, is not a worthy citizen." While all corporations are considered

FAIR GAME BY THE TAX GATHERER,

it does seem as though they took a special delight in bearing down heavily upon insurance companies. And we are entirely helpless regarding the value of the property taxed as it is all in such form that the valuation can be arrived at with exactness. Although railroad companies are now special subjects for consideration throughout the country, that interest certainly got the best of the fire insurance companies in Massachusetts by a law passed a few years ago. The law referred to provides that in case of destruction of property by fire caused by sparks from a locomotive, there should be deducted from the amount of the claim against them any fire insurance which the owner of the property might hold. When the bill was first brought up for consideration we paid no attention to it as it seemed too absurd for serious consideration. To our amazement the bill became a law. I have no doubt the measure could have been defeated if we had given it proper attention, but it is one thing to prevent the passage of a bad measure and another matter to induce a legislature to back-water and repeal a bad law. We made the attempt, however, and at the hearing I denounced it as the worst piece of class legislation ever passed by the Massachusetts Legislature. I said, "If President Little of the West End Street Railway Company (now leased by the Boston Elevated) should appear before you and plead for a law which provided that in case a street car ran down a person and maimed him, there should be deducted from the amount of damages awarded by a jury the amount of accident insurance the man was carrying, he would be laughed out of court." And yet it was an exactly parallel case. Nevertheless and notwithstanding, the law still remains on our statute books.

In a paper prepared by President Brown, of the Connecticut Fire Insurance Company, and read before the Fire Insurance Commission of the Illinois Legislature in May last, he called attention to the fact that in France, Italy, Spain and Belgium—in all countries subject to the Code Napoleon, or whose laws are based thereon—the party having a fire is made responsible for the loss he may have caused, not for his own direct act only, but for his negligence and imprudence. Landlords are held responsible for damage to tenant property, or contiguous property, if caused in consequence of defective construction or neglect to keep his premises in what would be regarded as safe condition. In Havre fire set in any inhabited building, carriage or car, is punished with death, and the same punishment is inflicted upon persons convicted of incendiarism, if life is lost, in Brussels and Hamburg.

Henrik Ibsen, the Norwegian novelist and dramatist, in describing a visit to his native town of Skien, spoke of the destruction of his old home in a small conflagration caused by the carelessness of a maid servant. The maid servant, he says, was, of course, executed. So far as I know no such fate overtook even Mrs. O'Leary's cow, though that bovine caused the destruction of Chicago. In this land of freedom, carelessness of whatever degree calls for no punishment and little blame. It certainly is no bar to the collection of the full amount of an insurance policy.

The laxity in the enforcement of some of our laws adds enormously to the loss of life and property in this country, and it is clearly against public policy to show such indifference to so serious a matter. Somehow, the feeling seems to be general that it is something which concerns insurance companies only and they are expected to foot the bills without complaint, as that is what they were organized for. That companies are merely tax gatherers, compelled to fix the penalty to fit the crime in every class of risk, does not occur to our lawmakers.

THE NEW LIABILITY LAWS,

recently passed by the New York Legislature on the recommendation of the Wainwright Commission, show the tendency of the times very clearly. Not only is the burden of proof shifted to the employer, but there are other features of the law which make it fairly revolutionary. But woe be to the companies if they advance their rates to cover these added burdens. The experience of our railroads, and their endeavor to secure higher freight rates to meet the great increase in wages and other expenses, shows what opposition they are likely to meet. It seems to be human nature to load all responsiblity for one's own acts upon some other fellow.

It is a pretty good man who keeps his agreements to the letter, but we frequently go much farther than that. In no other business is such generosity shown in the settlement of claims and the liberal interpretation of our contracts. We are handicapped by the bitter memories of some of the deeds of our predecessors in the days when policies contained provisions which voided the contract for comparatively trifling acts. Non-forfeiture laws and standard forms of policies have remedied much of this, but it takes many a good deed to bring forgetfulness of a single injustice. It is well to remember these things, for we must understand the workings of other men's minds in order to know how to apply the remedy. Unless we consider both sides of a question we can never satisfactorily settle it, for prejudices must be recognized and appreciated or we will be unable to overcome them. * *

At the conclusion of the address a rising vote of thanks was tendered Mr. Damon.

At this point adjournment was taken until 2 o'clock.

AFTERNOON SESSION.

The first address of the afternoon session was by William H. Hotchkiss, head of the New York Insurance Department, who spoke extemporaneously. He was introduced by President Moore as the State insurance official who had accomplished a tremendous amount of results during a short period of incumbency. Mr. Hotchkiss' remarks were listened to with careful attention. He said in part:

ADDRESS OF SUPERINTENDENT HOTCHKISS.

Let me congratulate you, gentlemen of the casualty and surety field, on the exceedingly low rate of mortality among you during a year of exceptional strenuosity in these strenuous times. What with legislation—sometimes of a character I suspect you gentlemen did not want—and the other incidents of unusual character you have done remarkably well. I am glad there has come about a better understanding among you in the midst of this inordinate competition. The New York department is in hearty sympathy with your business. It does not like to differentiate between what is good for the public and what is good for the companies—the good of the one is the good of the other.

As to the new laws regarding employers' liability and workmen's compensation the New York department is as yet a spectator. It has been waiting to see how you gentlemen would work out the problems before you. It is notable that as yet the department has received very few complaints from the public, and these come mostly from agency sources.

Increased premiums follows an increase of hazard as a matter of ordinary horse sense. The public, however, does not yet seem to understand everything in connection with the new order of things. I have collected from a number of companies the results of their experience during the first nine months of 1910, and will give the comparisons between the figures of the first six months of 1909 and 1910. In six of these classes the companies have experienced an increase of the ratio of losses to premiums received; three classes report a decrease and one class reports the same ratio. In liability insurance, six companies report an increase from 35.5 per cent. in 1909 to 42 per cent. in 1910; in workmen's collective insurance seven companies show a gain from 49 per cent. to 52.5 per cent.; in fidelity insurance four companies show an increase from 19.2 per cent. to 21.3 per cent; in surety bonding three companies report an increase from 46 per cent. to 51.6 per cent.; in automobile property damage insurance three companies report an increase from 30.7 per cent. to 47.5 per cent.; in steam boiler, burglary and theft insurance there is reported a decrease in the same. My imperfect conclusions are, therefore, that the loss ratio is increasing; also that the increase is not as great as some of you had anticipated, particularly in the field of liability and workmen's collective insurance. If the increases are abnormal that fact does not appear in the figures furnished me.

I predict that the day of large profits and rapid growth is drawing to a close, and I am of the opinion that you gentlemen should look about you to see where retrenchment may be made. Not a day passes but that there is presented for the approval of the New York department some plan or scheme for what I will term "guild" casualty insurance.

Mr. Hotchkiss here read a letter from a board of trade in which the organization submitted a plan by which members of the board might establish a fund from which losses on account of workmen's damage suits might be reimbursed. The plan was to include no notion of profit, nor any special policy form of agreement. Continuing, he said:

The reply to this letter was that inasmuch as the plan contem-

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plated a change in the bylaws of the board, and the disbursement of a special fund, it would come under the insurance laws of the State, and would be deemed a violation thereof. Now, if men are thus responding to the criticism of employers as to the rates promulgated by the constitution of such plans, it seems to me you must sooner or later face a modification of the law to permit the organization of casualty mutuals similar to the mill mutuals of the New England States. I suggest the practice of economies in the home office and in the agency field. I feel certain the

COST OF SALESMANSHIP

is too large, and if retrenchment is to come that is the place where the knife must be placed first. I might add that I believe this is also coming in the field of fire insurance, and I believe it is coming in your field. Perhaps the time is not yet come, and perhaps I am in advance of the necessity, but if I am not mistaken the time for mutual casualty insurance is rapidly approaching, and this department has not regarded the experience of mutuals as satisfactory.

This week will witness the final examination of the new standard provisions policies submitted, and in this connection I will say: Don't be too much alarmed about the matter of renewals. So far as New York State is concerned, if it is law renewals will be regarded as policies. I hope this will not be found to be the case, but in the meantime please refrain from sending briefs, letters, etc., to the department.

I want to say a word about surety business. A late experience connected with the admission of a company to this State has convinced me that there is a kind of surety business that should be prohibited. I refer to the bonding of questionable resorts. I will say now that if we catch companies engaged in this kind of business there will be trouble. It is not only bad morals, but bad business. The heaviest losses have resulted from this line of risks, and it must be discontinued in this State.

AS TO THE MATTER OF FRILLS,

in order that the attitude of the New York department may not be misunderstood I have reduced what I have to say to writing. The New York department awaits a better knowledge of what "frills" really are. A prominent casualty executive was asked recently to indicate what he understood to be meant by the word. His reply calls attention to seventeen, varying in importance from "accumulations" to "payments of freight on the corpse."

The latter appeals with peculiar emphasis to my serious temperament. I do not intend, however, to indicate at this time which of these seventeen clauses are mere competitive talking points, and therefore, as I understand it, "frills" and which of them, by providing for substantial benefits and commonly granted by nearly all casualty companies, have passed beyond the "frill" stage. I do not feel it proper, however, to indicate that there are certain limits within which the department, in passing on casualty and health policies, can safely move.

Certain "frills" are clearly illegal, because having to do with neither an accident to nor with the health of the insured. So also certain of these clauses are clearly illegal in health policies, because having to do with casualties and vice versa. Departmental elimination of these will, therefore, be easy. Departmental elimination of the others is perhaps another matter.

From the standpoint of the public, which both the companies and the departments serve, there are two reasons which will justify either departmental pressure or company agreement toward the elimination of "frills."

If any of the seventeen varieties previously referred to are talking points only, they should be promptly eliminated, and the companies which prevent an agreement to that end will be properly under suspicion as to their real purpose in permitting their continuance.

While, if it be the tendency, as I think it is, to make all insurance contracts short in words and simple in meaning, it becomes somewhat of a vital question whether the present drift toward the increase of these talking point clauses is not both unwise and unfortunate. He who buys a policy of casualty or health insurance should have the assurance, either by company practice or through governmental action that he has a contract which is understandable, dependable and easily collected. Or, put in another way, the interests of the public at large, which, it will be conceded, are best served by brief and clear contracts, are vastly more important than are the interests of any or all of the companies or of the agency men who sell such companies' contracts.

In brief, then, reserving as has been said, the right to indicate at some future time what is and what is not a "frill," the

ATTITUDE OF THE NEW YORK DEPARTMENT

at present may be summed up as follows: It believes that the purely talking point clauses which are understood by it to be indicated by the word "frills" should be eliminated immediately. It is believed that a large portion of these clauses are of relatively no value to the insured and are useful only for advertising and agency purposes. It believes still further that there has been too much greedy competition in this field of insurance, and it believes finally that from competition so stimulated there can come little that is economically valuable to the people at large.

Indeed, to change the pronoun, I, for one, prefer to buy my goods by the yard or by the pound, and I am not much interested in those which are done up in prize packages, or inclined to much confidence in the men or companies who offer them.

Thoughtful company executives will not, it is believed, overlook the parallelism which exists between policy and competitive conditions in the casualty field now and policy and competitive conditions in the life field some years ago. The latter led to confusion and disaster and, in very recent years, to the enforcement by legislative enactment of a standard policy law. This is a time of standardization. I am not so sure that, if the companies in the casualty field persist in the manufacture—almost from month to month—of these new and sometimes delusive talking clauses, government, before long, may find it necessary again to interfere in the same way."

Mr. Hotchkiss was warmly applauded when he had concluded.

COMMISSIONER YOUNG DISCOURSES FROM THE VIEWPOINT OF SUPERVISION.

Insurance Commissioner John R. Young of North Carolina read an interesting and well written paper on State supervision of insurance from the point of view of the supervisor of insurance. He said, after a pleasant introduction, in part:

Is there anything in the viewpoint? Experience and observation have shown that there is in other things, and every reason goes to show that there is in insurance matters, especially those pertaining to supervision. Too often there has been friction between the supervising official and the officials of companies caused solely by their different viewpoints. This should be avoided, for unfortunately there is enough in the difficulties of each side coupled with the frailty of man to produce friction. The difficulties are not all on either side. Each has its share and must bring to its proper performance an unusual degree of ability and tact. While commissioners, as sworn officers, must do their duty as they see it, and should honestly strive to meet their responsibilities justly, honestly and impartially, they are in danger of being swept off their feet by a feeling of contempt for some unworthy representative of possibly a first class company. Again, the difficulties surrounding officers of great insurance corporations, entrusted with the management of millions of capital, must be great, as they realize their responsibility to their stockholders, as well as to their policyholders, and find themselves in solving the problems of their business up against some law or ruling which they feel stands in the way of their success, and which they too frequently conclude from their viewpoint is the result of either ignorance or corruption in the supervision.

That supervision of insurance companies is here to stay no one doubts. Whether it is best and necessary many may doubt; but I am sure as to its necessity from the viewpoint of the Government and the people, and that it is best, all things considered, for the companies, but I believe and am free to admit that it is not perfect in its work and methods, and I, with other commissioners, desire to unite with you in its improvement. While, as I have said, it is not perfect in its working, it yet has about as little friction in its makeup as other laws upon our statute books. The people are supreme, and while no injustice should be done even in the name of law to even a corporation, the people are entitled to have not only fair and just laws for their protection, but laws so expressed that they may know and feel that their rights are fully protected. This is especially true of and calls for a proper supervision of all quasi public corporations. The only question is to get just laws and a fair and competent supervision. The commissioners are not responsible for all laws, and in many cases are called upon as executives to enforce laws that do not commend themselves to their judgment as wise or fair, though it is true that the commissioners are largely responsible for the laws upon the statute books of their States. Hence, it is their duty to study the principles of insurance laws best suited to their State conditions, and then, having advocated the embodiment of these principles into laws in the best form as well, to enforce them after they are enacted. All insurance laws should be written from the standpoint of supervision, but in absolute justice and fairness to the company as well as to the citizen of the State.

THE CASUALTY BUSINESS.

The difficulty is greater, I believe, gentlemen, with your business than with any other class of insurance. Life insurance,

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after many mistakes and failures, has been practically reduced to a scientific basis, and can be mathematically calculated so that there should be no need for great uncertainty or mistakes in its management or regulation. Fire insurance, after many years, can point to certain well established principles evolved from long experience and close observation. The path is almost a beaten one, with its outlines well defined. Not so with your business. It is comparatively a young business that has been rapidly evolved under the masterly hand of you who have given to it the best years of your lives and the working of your trained minds. Even from the viewpoint of supervision I have watched with wonder and amazement the remarkable work shown by many of you before me in meeting and solving the various problems as they have arisen in your class of business. Today I congratulate you and felicitate your stockholders as well as your policyholders on the wonderful achievements in this line. Great as has been your work, and wonderful as are the fruits to which you may point, yet I venture here and now to suggest that in this work you have been aided at times by the viewpoint from the outside, and while many may be loath to acknowledge it, supervision has at times turned the course of plans and propositions, and yet the business has profited rather than been retarded by the so called interference.

I would not here enter into a discussion of the merits and demerits of State supervision, or whether conditions would be helped by National supervision. I have never had the time in my busy work to theorize about National supervision. It has fully occupied my time to endeavor to meet the duties involved in my part of State supervision. One to me has been a theory, and the other a work or condition. State supervision needs no defense at my hands. That there have been mistakes all know. That at times abuses have crept in all are forced to admit, but its work of supervising companies compares favorably with State and even National supervision in other lines of business, and nowhere have the problems been greater or the responsibility weightier.

Standing today as the oldest insurance commissioner in point of length of service save one, I can look back, as no doubt you can, gentlemen, and see great progress. It is an exception to find the supervision, though exercised by the departments of many States, not clean and honest. The scandals and stenches of former days arising from ignorance, corruption and graft are no longer known. A general improvement is noted, though there are frequent changes in the heads of the departments. Some commissioners are changed by politics, while others are driven by meagre salaries to seek better places open to them in their chosen line of work. The conduct of departments has been changed.

SUPERVISION NOW STANDS FOR SOMETHING.

While the relation between the commissioners and companies has grown more pleasant and cordial, the supervision on one side and the efficiency and adherency to the laws and proper practices on the other have become more general and determined. While the idea of uniform laws has not been, and perhaps will never be, fully realized, the commissioners of practically all the States have by consultation and co-operation in their national conventions brought about wonderful results, not only in looking after companies and correcting bad conditions and practices, but in teaching the people that supervision means something, and in satisfying them that what is accomplished is fair and just. You no longer attend a convention of insurance commissioners to hear lectures and long dissertations, more theoretical and high sounding than practical or useful, and delivered for advertising purposes or to heal a wounded dignity, but to hear and take a part in a calm discussion of departmental work and practices, as well as of the principles and methods of different classes of business to which the company officials and insurance experts are invited with their rich store of knowledge and experience.

Gentlemen, I need not weary your patience by going into the details so familiar to us all. Progress has been and will continue to be made, and in my opinion with an increased rapidity and thoroughness, as you, as officials of the great insurance companies of the country, and the commissioners as the representatives of and supervisors for the Government and people, understand and appreciate the situation from the viewpoint of those with whom we deal as well as from our own position.

As commissioners we must recognize your responsibility to your stockholders and policyholders. We should give you credit for ability, character and honesty of purpose, making proper allowances for your anxiety to do well your part in pushing your business, and in every way making good the position and standing of your company. We should never forget that the nearer we approach to the highest officials of our insurance companies the purer becomes the air and the more righteous and proper the aspirations and practices. We too often forget that our impressions come from representatives of the companies in the field, who, in the heat and strife of competition, are led into bad practices by ignorance, unbounded zeal, graft and many other causes. The commissioner must necessarily look at things from the viewpoint of supervision, and it is best he should, but he should not be blind to the position, surroundings and conditions of the supervised.

While, gentlemen, I thus speak plainly of conditions from the standpoint of a commissioner, and earnestly urge a strict adherence to proper supervision as exhibited in just laws, calm judgment, sane and considerate rulings, may I not ask of you, as representatives of great insurance companies, a proper consideration of our position and duties? Will you not give to us credit for a sense of our responsibility, some knowledge and a desire to increase it, good, sound and honest intentions, with a desire to meet and work with you on such fair and just grounds as will build up your business, and be in all respects fair and just to our people, so that the upbuilding and good feeling and great benefits shall be lasting in their effect and go down to coming ages as the work of those who builded well? * *

At the conclusion of the address Mr. Lott made a brief address in a vein of gratefulness for its sentiments, and moved a rising vote of thanks to the commissioner, which was heartily participated in.

MR. COX ON CO-OPERATION TO MEET GOVERNMENT CONTROL.

Mr. Robert Lynn Cox, general counsel and manager of the Association of Life Insurance Presidents, read a strong paper on "Modern Co-operative Methods to Meet Modern Tendencies of Government Control." Mr. Cox assumed as his premises that Government supervision of the insurance business will not recede in the future, but will continue to grow, and discussed the tendency of the legislation of control, and how to turn it from hasty and ill considered methods to those which regard the interests of the insurance companies as well as the public. After speaking of the vast volume of insurance legislation annually, Mr. Cox said:

It would be difficult enough if all legislation originated in good faith, free from personal interests and untainted by improper desire, but which, unfortunately, it does not. I do not mean to infer that faults and misdeeds are confined to legislators, and in order to suggest that the problem of legislation such as we are now confronted with is complicated, if not largely created, by the attitude of the companies themselves, I submit a classification under which most legislation can be readily assigned a place.

First: That which is born of ignorance and is intended to destroy the business entirely, or is calculated to harass and annoy the companies to the end that money shall be paid by them as the price for escape therefrom.

To this class can we assign so called "strike bills," and likewise those which we designate as vicious or merely foolish. In opposition to such measures the companies are always united, and as to such legislation there is little or no problem. Presentation of facts and appeals to reason, and, if necessary, a point blank refusal to be blackmailed are the only weapons of defense required. Fortunately for the business of insurance, this class of proposed legislation is diminishing in quantity, and bids fair to become almost extinct in some of the more important States.

Second: Legislation which is intended to protect policyholders against evil practices, and to compel honesty and good management of all companies alike.

As to legislation of this class, there is likely to be a division of opinion, because companies are still to be found which deem it to their interest to engage in practices which good morals and good sense cannot approve.

And to those who rebel against good laws because they prevent the doing of that which is bad, we must add those who oppose all regulation on what they term "principle"—who seem willing to stand for personal liberty though its chief result may be to give their unworthy competitors a chance to do wrong. With the conviction established that regulation has come to stay, it seems certain that ere long most companies will be found actively supporting everything needed to protect the policyholder and the public interest, and the evildoers in the business, who constitute a small minority, will have lost their influence.

Third: Legislation which is intended to favor one company or group of companies as against others, or to work injury to certain companies while others in competition with them are ex-

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empted from its provisions. It is legislation of this class which affords

THE MOST SERIOUS PROBLEM OF TODAY.

For, under the guise of meeting the demand for control and regulation of the insurance business generally, we find a large volume of proposed legislation that is inspired by companies having no higher purpose than a desire to hamstring their competitors. Whether it is directed in favor of the small company against the large company, the old company against the new company, or in favor of the home company against the company foreign to the State which is asked to legislate, it is all of the same breed and character. Under pretense of protecting the public it seeks to injure good companies and to further the interest of certain companies which by virtue of immaterial differences in form of organization or places of domicile are excepted from its restrictions. It is to deal with legislation of this class that, in my opinion, makes co-operative action and friendly associaton on the part of all reputable companies absolutely necessary. They should unite to defend the business as a whole, to support its highest ideals and to decry the bickering and backbiting which serves to discredit it.

I am aware that the mere formation of an association cannot be expected immediately "to change the leopard's spots," but I do believe that enough that are without spots can be found in every branch of the insurance business to create and maintain for that branch an organization which shall be devoted to promoting the general good of the business and which cannot be used to further the interest of any company except so far as that company may profit by what is for the interests of all. Obviously the interests of such

AN ASSOCIATION

should be unpersonal and general. In this respect it would approach closely the position which should be taken by the State. Herein would lie its chief strength. Experience has shown us that there are companies which lack interest in an association which promises them no advantages over other members of the association. Others are willing to reap the benefits of the work being done by such an organization and evade the responsibilities incident to membership in it. But these facts afford no argument against co-operative action providing we can find a sufficient number to combine for the common weal who can carry the burden that in equity should be borne by all.

Insurance companies have been accustomed to urge upon State legislatures the need for a broad statesmanship, free from sectionalism or favor to one as against another, but by confining their preachment to times when they would be favorably affected by the advice they give, and withholding their advice at other times, their sincerity has been open to doubt. We must join hands with the States and show them how that which is evil may be restrained without destruction of that which is essential to the life and progress of the business. State officials are generally willing to listen to argument based on the interests of the business as a whole, though they frequently manifest impatience with a position taken by the individual company seeking to protect its individual interests. Why, then, can we not maintain organizations among ourselves which will not only work for the general interests of the business, but against which the charge of personal interest cannot fairly be raised, and against which it is not likely to be presumed. An association of companies which would fearlessly represent the interests common to both large and small, those of the East and of the West, of the North and of the South, whether mutual or stock in their form of organization, would surely be representative of the business in a sense which could not be said of any company alone. Such an organization would represent more nearly the interests of policyholders than do State officials, because the public to which these officials owe allegiance includes many who are not policyholders, and whose interests are not in all respects identical with policyholders. It must not be assumed that because I am dwelling largely upon the efficiency of co-operation through an association from which selfish interest will be barred, and which, therefore, may be made representative of the business rather than the individual company, that I am unmindful of

THE GREAT ECONOMY RESULTING

from such an organization. It seems hardly necessary to point out here the saving to be effected by having the experts in one office reading proposed legislation each day instead of having the same work done in dozens of different offices and by a multitude of experts. Neither does it require argument to show the economy of having one representative appear to explain the position of insurance companies on a given matter rather than to have as many representatives appear as there are companies interested in the matter. This method also presents the advantage of having the business as a whole represented by a man who is not identified with any particular company, but whose primary allegiance is to all companies in their matters of common interest only. To do with one machine, though it be a trifle larger and a little more elaborate, that which has been done before by many machines is but to follow the lead of manufacturing, agricultural and other business operations generally.

But a larger organization and equipment is needed to do not only the work formerly done by individual companies, but educational work as well. It is more important today than ever before that the public should be made to understand insurance from the economic standpoint; that it is in itself a highly organized form of co-operation, absolutely essential to the modern social fabric; that the chief interest of the public should be to save the institution from the enemies within and without, and that all regulation should have this as its chief motive.

To be sure, agents in the field do much work on this line in connection with soliciting business, but only in part do they give the subject its proper perspective. They must extol the virtue of their own companies and of the particular form of insurance they have to sell. Too often they decry other equally good companies and quite as desirable forms of insurance. I know that the better agents are not guilty of these charges, but so many have been in times past that it is little wonder that all insurance companies should have become more or less discredited by a strife which seemed to have for its chief purpose the discrediting of each other. It would seem that companies might well

UNITE TO TALK INSURANCE

and its important relations to society at times and in places other than when the listener is being urged to sign an application blank. It is necessary to reach the large number who for various reasons are not directly interested in insurance of the kind we have to sell at the moment, but who, nevertheless, vote and otherwise exercise political influence. It is important that such persons be made to understand the nature of insurance and to regard it is an economic factor essential to the welfare of society. This is general educational work which no company could be expected to engage in very extensively, but which companies ought to do to a very considerable extent collectively. Other business interests are learning that it pays to advertise soil and climate and general opportunity rather than to praise especially their own wares, and the citizens of various municipalities and States are banding themselves together for that purpose. If merchants, manufacturers and professional men find it profitable to join in "boosting" the advantages which are common to them, why should insurance men hesitate about proclaiming the importance of the business in which they are engaged and its value as a whole?

I say, therefore, that in order to meet the problem of statutory regulation we must come at once to regard it as the current of a flowing stream and not the ebb and flow of a tide. This will lead us to cease battling against it and turn our eyes in the direction we must inevitably be carried whether we like it or not. It will put us in harmony with the forces of civilization and enable us to become an active factor in creating conditions under which our business must be carried on hereafter.

But more important than this, we must cease to regard the creation of statutory pitfalls and ambuscades for our competitors as a proper exercise of our ingenuity and as a legitimate field for legislative effort. With the enormous growth in the magnitude of our business there must come a quickening of our business conscience. While competition must and should continue in order that our business may not stagnate, we must not use or countenance those methods of competition which we would resent if used against us. From this you will see that I deem the first and most important step in the solution of the problem I have been discussing is to make a few resolutions that have more to do with

PROTECTING THE BUSINESS FROM WEAKNESSES WITHIN

than from attacks from without. In order that the movement may be given the dignity and power incident to organized effort, I would band together in one association all reputable companies who were ready to join in promoting the common interest, and I should not hesitate to make the membership screen fine enough to exclude those who have lingering hopes of getting a personal advantage at the expense of their fellows in the business. Can there be any doubt of the potency of such an organization or of its influence in meeting the problem of statutory regulation of the business which it would represent? Its strength would not lie in its being merely an organization of companies, but in being an organization from which had been banished the selfish spirit which hitherto has brought discredit to corporation management generally, and is largely responsible for the public demand for their control by law. With the reputation of such an association firmly established by actual performance along the lines I have indicated, there would be no difficulty in getting a hearing from legislators and public officials generally, nor would there be a like-

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lihood of its advice being set at naught by those charged with the protection of public interests.

I know that I was expected to say more about the work of the association with which I am connected and probably less about theories and ideals. But we must have ideals and it is essential that they be in advance of the steps we have actually taken. I do not hesitate to confess that we have not been able to do at all times what we would like to have done, nor have we been entirely free from some of the things which I have criticised here today. I do feel, however, that the existence of our association for a period of four years is in a sense proof that associations working along similar lines are entirely practicable. I am gratified to be able to report that our work has been frequently commended by supervising officials who have been convinced that we are standing for what is best and are not seeking to promote unworthy desires on the part of the companies constituting our membership.

Mr. Cox quoted from the opinions of several State insurance commissioners and from Governor Hughes on the efficiency and value of the Association of Life Insurance Presidents. Before concluding his paper he paid a high tribute himself to the insurance commissioners' national organization. He said:

The advantages to be gained by co-operative organizations such as I have been referring to throughout this paper are clearly shown in the case of the insurance commissioners themselves. The National Convention of Commissioners is far more influential and powerful than any individual commissioner could be. It represents the business of insurance supervision as a whole. Narrow prejudices and sectional lines largely disappear in its transactions. Its attitude is doing much to raise the standard of State supervision. We should recognize the beneficial results which flow from the meetings of the commissioners. I fear sometimes that our personal controversies with individual commissioners blind us to the spirit of interstate comity that comes from frequent conferences between the commissioners of different States. I believe that in such conferences and the co-operation which results therefrom, will come our chief support in the fight for substantial uniformity of State laws. The effect of these meetings could have no better illustration than when, after a pointed discussion at the recent convention, they agreed to save companies from unnecessary examination by either accepting the examinations of home departments in each case or conducting them, when necessary, through the examination committee of their national organization. The vote seems to mark the end of one of the chief annoyances of State supervision and, in former days, one of the chief sources of blackmail and corruption. * *

A rising vote of thanks was voted Mr. Cox for his paper, which was received with applause.

The paper prepared by President George F. Seward, of the Fidelity and Casualty Company, was read by the secretary on account of the illness of Mr. Seward, which prevented his attendance.

PRESIDENT SEWARD ON FEDERAL SUPERVISION.

Under the affirmative title of "Insurance Is Commerce," President Seward's paper dealt with the question of Federal supervision of insurance, in which he argued that if a case were properly presented to the Supreme Court it would almost surely reverse the decision in the Paul vs. Virginia case. After quoting from his address at the conference of the National Civic Confederation last January, he continued:

It would be idle for any citizen to say as a matter of his own judgment that the Supreme Court of the United States has erred in declaring that insurance is not commerce, and cannot be dealt with under the interstate commerce clause of the Constitution, and to expect people to be respectful of his opinion. And yet, I may venture to say that the attitude of the Supreme Court has been inexplicable to many men of sound judgment. Insurance does not involve the sale of goods nor the transportation of merchandise, but neither the purchase and sale of goods nor the transportation of goods is commerce in a broad sense. Each operation is a part of commerce, and in the same way the insurance on goods in stock is a part of commerce, and the buying and selling of insurance policies are operations of trade just as much as if the value of the policies bought and sold was tangible at the moment instead of contingent.

When the fathers of the republic provided that Congress might control interstate commerce they did not define what commerce is. It is to be presumed that they intended that the internal trade of the country, as between the States, should not be hampered by State lines and regulations. Commerce was not to be halted, but was to be free. The conception was broad, and the constitutional provision has served its purpose notably. It has been one of the most potent reasons why the internal trade of the nation has proceeded on lines of satisfaction to all concerned and grown to enormous proportions. Insurance men, representing one of the greatest factors in commerce, and witnessing how other interests have prospered under National supervision while their own has suffered under the vexatious burdens of State supervision, may not be blamed if they stand eager to hear that the ægis of national protection may be thrown about their business.

The method of reasoning by which these hopes may be defended is authoritative. The State courts have over and over again held that insurance is a commodity, and that the operation of buying and selling is trade, a term synonymous with commerce. The Supreme Court itself has held that the buying and selling of lottery tickets is commerce, and that the operation of a correspondence school is commerce. If so, why is not the buying and selling of insurance policies commerce?

The plan of this paper is to bring together these decisions in sufficient quotations so as to put the question up to Congress, whether the time has not come to act on the lines of better sense and in accordance with a better appreciation of the facts and considerations involved. For myself I do not doubt that if Congress were to enact any given piece of legislation based on the proposition that the interstate operations of insurance companies are interstate commerce, the Supreme Court would so far absolutely sustain the legislation. Will Congress do this? The answer is that Congress would be very likely to do it if the case were presented properly.

Mr. Seward then proceeded to quote instances where the State courts have held that insurance is trade or commerce, after which he added:

Many more cases could doubtless be cited to the same effect. Some of the cases indicate somewhat vaguely that there is a distinction between the word "commerce" as used in the Federal Constitution and as used elsewhere. The precise basis for this distinction is not pointed out, and is not apparent. The sense in which the word "commerce" was used in the Federal Constitution was manifestly that sense in which the word is most commonly accepted, which is precisely the sense in which the word is used in all laws. That there is any real distinction it is difficult to perceive.

Remarks and citations following dealt with cases decided in the Supreme Court of the United States. Of some of these Mr. Seward said:

The operation of the commerce clause is not confined to those things, as many have supposed, which relate to the physical transportation of goods. The court has held that the power to regulate embraces all the instrumentalities by which commerce may be conducted, aided or encouraged. Mr. Justice Field, in Gloucester Ferry Company vs. Pennsylvania Company, 114 U. S., 204, said:

"The power to regulate * * is the power to prescribe the rules by which commerce shall be governed; that is, the conditions upon which it shall be conducted—to determine when it shall be free and when subject to duties or other exactions. The power also embraces within its control all the instrumentalities by which that commerce may be carried on, and the means by which it may be aided and encouraged."

Under the expanding utilization of the commerce clause, Congress has regulated the registry, enrollment, license and nationality of vessels, the method of recording bills of sale, and mortgages thereon, the rights and duties of seamen, the responsibility of shipowners for the negligence of their captains or crews, the relations existing between employer and employee engaged in interstate commerce, and the equipment of cars, engines and tracks used by railroads.

The Supreme Court said in Paul vs. Virginia, that a contract of insurance is not an "instrumentality of commerce," but a "mere incident of commercial intercourse." Yet in a later case (Gloucester Ferry case, *supra*), the court said that anything is an instrumentality of commerce which *aids and encourages it*. Insurance manifestly aids and encourages commerce. Hence, it is an instrumentality.

There has been, and there must continue to be, a steady development of the construction of the Federal Constitution to meet changing economic conditions. In the early stages of the discussion of the meaning of the commerce clause of the Constitution, it was thought to apply only to communication between the States by navigable waters. This probably was due to the fact that commerce between the States was almost wholly carried on by water communication. Since then the development of the

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country's commerce by means of railroad communication and the great changes that have taken place in economic conditions have led to applications of the clause that were not dreamed of early in the country's history. Thus, Congress now not only regulates railroad and other means of transporting goods from State to State, but it also regulates the business of telegraph and telephone companies as being engaged in interstate commerce. If a merchant arranges, by telephone or telegraph, with a company of another State for insurance, the telephone or telegraph message is held to be commerce between the States, but the contract of insurance that results is not. To the average man there would seem to be a flaw in this logic. * *

These, and many other expressions of the court, are clear declarations of an intention to so construe the Constitution as to adapt its provisions to new and changing conditions of commercial intercourse, as the necessity for such construction shall arise.

It would surely not be a long step in advance of the court's present position to count insurance among the "instrumentalities by which commerce may be carried on, and means by which it may be aided and encouraged."

It is also important in this connection to bear in mind that the Supreme Court of the United States has, in reality, never passed directly upon this question. Congress has never passed a law which attempted to regulate in any degree the transaction of interstate insurance business. Consequently, the court has never had occasion to pass directly upon the question whether or not such a law would be constitutional. Each case in which the Supreme Court has held that insurance is not interstate commerce has been a case where some State has endeavored to impose upon a foreign insurance company some condition or penalty, and the company has resisted on the ground that as the company is engaged in interstate commerce, the State could not impose such a condition or penalty upon its business. We apprehend that in every case the court could have sustained the right of the State to impose the condition or penalty without deciding whether insurance was commerce or not. In other words, the decision that insurance was not commerce was not essential to the conclusion reached.

Moreover, it is manifest that the court's attitude toward such a question may be influenced greatly by the form in which the question comes before it. Where the question arises as to the power of the State to regulate the business of a foreign corporation, Congress having passed no law upon the subject, the tendency of the court would naturally be to uphold the action of the State, if possible. On the other hand, if Congress should pass a law for the regulation of interstate insurance as being interstate commerce, the effort of the court would be, as it has frequently declared in similar situations, to uphold the law as constitutional. * *

We submit that the court has never passed directly upon the question as to the power of Congress to regulate interstate insurance under the commerce clause. That question can only arise when Congress passes a Federal supervision act, or some act which will clearly recognize that insurance is commerce. When it does pass such an act, the court, acting under the rules which it has laid down for its guidance in deciding such questions, and because it can no longer logically adhere to the position that insurance is not commerce, must reverse its old position and enfranchise our business.

In just what way insurance interests may want to bring about the end is a subject which I do not care to enter upon at the moment, but I commend it to the consideration of the younger and brighter men in our profession.

Throughout the entire session there were numerous lively tilts of a humorous nature between the delegates and the chair, which served to keep up the good spirits of the convention. This was particularly noticeable during the debate on the topic introduced by Mr. De Leon, who spoke in support of his contention of business raiding by outside companies. It was the sense of the convention that there ought to be some remedy for this condition, and the matter was referred to the executive committee with power to act.

OFFICERS ELECTED.

The following officers were elected by the adoption of the report of the nominating committee:

President, Franklin J. Moore, United States manager of the General Accident, Fire and Life Assurance Corporation.

Vice president, F. W. La Frentz, vice president of the American Surety Company of New York.

Secretary F. H. Kingsbury, executive superintendent of the United States Casualty Company.

Treasurer, Dr. R. S. Keelor, vice president of the Empire State Surety Company of New York.

Executive committee, George F. Seward, president of the Fidelity and Casualty Company, chairman; Thomas A. Whelan, of the Fidelity and Deposit Company of Baltimore; William F. Moore, of the New Amsterdam Casualty Company; F. W. Lawson, of the London Guarantee and Accident Corporation, and C. H. Franklin, of the Frankfort Marine, Accident and Plate Glass insurance company.

The banquet Tuesday evening was the concluding feature of the meeting, and was attended by a large number of members and guests. President Moore presided and there were addresses by Alfred Hurrell, attorney of the New York Insurance Department and associate counsel of the legislative investigating committee; James V. Barry, insurance commissioner of Michigan; Edward L. Hearn, vice president of the Casualty Company of America; John T. Stone, president of the Maryland Casualty, and Arthur L. Vorys, former Insurance Superintendent of Ohio.

More Promoted Insurance Concerns Reported by Superintendent Hotchkiss.

Insurance Superintendent Hotchkiss published reports this week of two more professionally promoted insurance concerns, the affairs of which had been investigated by the department.

TRINITY FINANCE COMPANY.

The Trinity Finance Company was incorporated in Maine, in 1909, as a holding company, to promote the Income Guarantee Company of New York, to issue policies indemnifying against loss of income due to permanent disability from sickness, accident, and old age.

The corporation was formed with the idea of issuing $3,000,000 common and $3,000,000 preferred stock, besides $3,000,000 5 per cent. gold certificates.

The examination developed that nothing was paid into the treasury for the common stock, which was originally issued to Hynson and by him transferred to Pratt & Grigsby, and that the preferred stock was given to Hynson, as a consideration for the adoption of his plan of insurance, and by him transferred to Pratt & Grigsby under an agreement that, when the latter sold the gold certificates, the purchaser must acquire an equal amount of preferred stock, Hynson of course to share in such money return. In the literature of this company, the fact that the Title Guaranty and Trust Company, of New York had agreed to act as trustee, for the purpose of accumulating a fund with which an insurance company was to be formed, was emphasized, and the subscribers for the gold certificates were furnished with copies of a trust indenture between the Trinity Finance Company and the Title Guaranty and Trust Company, the effect of which seems to have been that the trust company acted as agent for Pratt & Grigsby to receive for the account of the latter all moneys taken in by them on the sale of the gold certificates and preferred stock, and to hold the same in separate funds, one of which could be drawn on to the extent of about 27½ per cent. of the total amount paid in, and the promotion expenses of the Trinity Finance Company and Pratt & Grigsby thus met.

An active campaign of the usual character seems to have been conducted for some months, with the result that, as shown by the books, there was received from subscribers $39,309.54, and disbursed $11,341.61, upward of $10,000 of which was to Pratt & Grigsby to cover promotion expenses, and that there is now on deposit with the Title Guaranty and Trust Company of New York, awaiting claimants, the sum of $27,967.93.

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The promoters have since abandoned the scheme, having found the plans unworkable.

The facts developed on the investigation have been put at the disposal of counsel representing the investors in this company. The Insurance Department is without power in the premises, save to make the examination.

HANOVER FINANCE COMPANY.

Like the Trinity Finance Company, the Hanover Finance Company is also a Maine corporation, its organization and scheme largely the conception of one George G. Hynson; but, unlike the Trinity, the Hanover is still in active operation. This company proposed to accumulate funds to organize an insurance company, to be known as the Income insurance company, the purpose of which is to issue insurances against loss of salary or income due to total and permanent disability from any cause which prevents the insured from following his specific occupation. The Hanover Finance Company was incorporated in October, 1909, about the time when the Trinity Finance Company ceased actively to market its so called gold certificates. Both companies seem to have been given large powers by the State of their origin. The authorized capital of the Hanover is $2,000,000, divided into 20,000 shares of the par value of $100 each.

Specifically the offering of the Hanover is $500,000 of bonds, the purchaser to receive $1 in stock for each dollar of bonds purchased, the money received to be paid 40 per cent. to Hynson and 60 per cent into the Carnegie Trust Company, to be held under what the department calls a "so called 'first mortgage.'" This "mortgage" the Insurance Department finds to be merely a trust indenture, under which the trust company agrees to hold the money.

There is now about $26,000 in the Carnegie Trust out of the proceeds of the sale of bonds, and some $17,000 has gone out of the total receipts from sales for expenses. It appears also from the report that the same plans and policy rates which Hynson sold to the Trinity Finance Company were sold to the Hanover Finance Company early in November, 1909, for $1,999,500 of its stock, which was thereafter issued $1,000,000 to Hynson, $350,000 to Edgar Bronk, its president, and $649,000 to V. M. Bovie as trustee, the last mentioned block being intended to provide the bonus for the bonds.

The examiners of the department state that none of the promoters or organizers have invested so much as a dollar in the bonds of the company which are thus attractively described, whereas at least one of such promoters knew that a similar scheme had been practically abandoned by the Trinity Finance Company before the Hanover was organized.

They also declare that the prospectus is misleading in that it contains reprints of letters from purchasers of bonds which contain statements such as "The bonds are secured by trust indenture with the Carnegie Trust Company of New York and safeguard the principal," the fact being that the Carnegie Trust Company merely guarantees 60 per cent. of the principal.

On all of these facts being brought to the attention of President Bronk, the issue of the original prospectus has been discontinued, and a new one, somewhat toned down, but still containing the prophetic financial statement and the pyramid of so called life insurance dividends and the summary previously mentioned and ascribed to Bradstreet's, issued in its stead. The sale of bonds has been discontinued and given place to the sale of stock on practically the same plan. Since the company's office was moved to Jersey City, the directors have voted a salary of $5,000 per annum to President Bronk, such salary to be paid from the date of incorporation. The proceeds of the future sales of stock will, presumably, be used partly for this purpose.

Great Men of America—Have We Such in Insurance?

Address by E. R. Kennedy before the Barebones Alumni Association at its Annual Dinner.

The annual fall meeting and dinner of the Barebones Alumni Association was held at the Underwriters' Club Monday evening of this week. About sixty members of the association were present. After the dinner was over President Harold G. Howe briefly introduced the speaker of the evening, Mr. Elijah R. Kennedy, of the firm of Weed & Kennedy. The topic assigned him was "Great Men of America—Have We Such in Fire Insurance?" Mr. Kennedy avoided making any odious comparisons, but arrayed the list of great Americans in the masterly manner of which he is capable and left with the young men present the clear thought that in the field of insurance there would be opportunities for great leaders. Mr. Kennedy said, in part:

I want to talk to you gentlemen on a topic outside the technicalities of your educational course and your daily intercourse. I would recall to you how genius brings forward right leaders in periods of national growth.

Leaving Washington alone in his sublime grandeur, let us observe how we began to develop great men in the early days of this nation. In those times some believed in the centralization of power, and others believed in government by States. During the debate which followed, and which lasted through two generations, there developed a Jefferson, a Madison, a Monroe, a Hamilton, and it ended in that great scene in the Senate when Mr. Hayne, of South Carolina, taking the teachings of Calhoun, presented the last word of the secession argument, while Daniel Webster spoke for the other side. Of the reply by Webster it was said by James G. Blaine that "the final speech of Mr. Webster in reply to Mr. Hayne had, for the Northern States at least, all the effect of a constitutional amendment." The necessity for great advocates always develops the needed great advocates. Undoubtedly Daniel Webster was the greatest exponent of governmental principles the English speaking world has ever had.

Then came the slavery question, largely a moral question, which developed such men as William Lloyd Garrison, Wendell Phillips, and Henry Ward Beecher. These were among the greatest orators on such a topic that ever lived. The occasion called for men to arouse their fellows—and the leaders came.

We are all familiar with the failures during the early part of the Civil War, caused by having the wrong men in the right places. You also know how, that later there arose General Grant, General Sherman, General Sheridan, General Meade and General Thomas—"the noblest Roman of them all"—all of whom were developed out of the necessities of the time.

Then Lincoln, the greatest of all, was killed, and the following period of reconstruction was a time of disaster. This occasion failed to develop the right man, and there was a "carpet bag" era that created animosities which existed for years. This antagonism was due to the lack of the leadership of such a man as Abraham Lincoln. How different it would have been had he not been killed! Whenever the needed leader does not arise, then the times are "out of joint."

Then began the period of the development of the material resources of the country. Men began to build railroads on a colossal scale. These great railroads developed other great men. There were the Huntingtons, the Crockers, James J. Hill, and E. H. Harriman. I am not going to say that some of them did not resort to financial devices and capitalistic expedients that were not ethical, but they were the sort of great men who "did things" in this commercial age. Probably the greatest men of the times were developed through the medium of the railroads, but we have also had great inventors, such as Westinghouse and Edison; we have known great merchants, of whom the Claflins stand as the greatest.

We have great bankers and financiers. The world does not now need a Napoleon or a Cæsar. Power is in the hands of bankers, and the times have developed financiers whose powers are as great as were wielded by those who have helped to make the world's history what it is. In the great panic of 1907 there was but one place where people ran for assistance, and that was opposite the Sub-Treasury. Mr. J. P. Morgan told the bankers who assembled every night in his library what to do, and they did it. When the president of a great trust company declared he would not sign an agreement intended to relieve the situation, Mr. Morgan handed him the paper and said, "Sign there!" and the president signed. Mr. Morgan had

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the confidence of the banking world, and he led the nation out of its condition of chaos.

Coming now to the field of insurance, which is the topic assigned, I will ask you whether we have on record any such achievements as those, or comparable to those, of the Standard Oil Company, American Steel Company, or those of Mr. Harriman in his development of the Pacific railways, or those of Mr. Hill or Mr. Schiff or Mr. Stillman? I will leave you to meditate on the proper answer to the question.

If we have not such men and achievements, are we going to have them? If so, what is likely to develop them?

In the first place to develop great men we must give them great stakes to deal with. We think highly of our largest fire insurance companies with assets of perhaps $25,000,000, but in one day of the 1907 panic, when Mr. Morgan was told they were bidding 100 per cent. for call money on the Stock Exchange, he sent $20,000,000 over to be loaned at 6 per cent.! We must have great stakes. I do not see why fire insurance should not develop great men if they are given the cards. We cannot develop them with $200,000 capital.

I make no comment on our living leaders, but I think I may refer to Mr. Chase, of the Hartford, as a man who displayed some qualities of greatness.

I look for our business to further advance and to offer the highest advantages to men of superior talent. Most of us must be contented to be useful and moderately successful, but I hope some of you may be among the great, and that you may climb

"the height
Where Fame's proud temple shines afar."

Enthusiastic applause followed the address, and a rising vote of thanks was tendered to him.

The annual election of officers followed, resulting in the choice for president of Harold G. Howe, Northern of London; vice president, Edward R. Hardy, New York Fire Insurance Exchange; secretary, R. M. Montgomery, Jr., Hamilton Fire; treasurer, R. P. Brand, Dutcher & Edminster; executive committee, William H. Sutton, Jr., chairman; J. M. Boylan, with J. Lehrenkrauss' Sons; J. D. Waite, with Theodore H. Smith.

SAFETY FUND INSURANCE.

NIAGARA

Fire Insurance Company

OFFICE: 135 & 137 BROADWAY. OF NEW YORK.

OUR Course of Insurance Education Department for Furnishing Prospects, New "Model Policy," Will Plough the Field and Assure the Harvest for Good Agents.

Phœnix Mutual Life Ins. Co.

Write Home Office. HARTFORD, CONN.

Royal Exchange Assurance

OF LONDON, ENG.

Incorporated A. D. 1720

UNITED STATES BRANCH

92 William Street, New York

UBERTO C. CROSBY, General Manager — RICHARD D. HARVEY, Assistant Gen'l Manager

London Assurance Corporation,

CHARTERED A. D. 1720.

Surplus in United States *January 1, 1907,* - -	$650,599.91
Surplus in United States *January 1, 1908,* - -	618,474.17
Surplus in United States *January 1, 1909,* - -	649,969.70

CHAS. LYMAN CASE, Manager.

84 William Street. New York.

"Live Articles on Special Hazards"

This is the title of a handbook on Special Hazards which every inspector, examiner, local and special agent should possess. The articles are reprinted from the Monthly Fire Insurance Supplement of THE WEEKLY UNDERWRITER, for which they have been especially prepared by experts. Descriptions are given of the processes of manufacture and the physical characteristics of the risk, and the hazards are pointed out in detail. The book contains 80 pages, size 4½x6½ inches, handsomely bound in cloth, easy to carry in the pocket. It contains the following articles:

Paint and Varnish Factories.....by A. G. Patton
Clothing Manufacture .....by E. R. Hardy
Metal Workers .....by C. C. Dominge
Patent and Enameled Leather Risks...by H. G. Howe
Storage Warehouses .....by R. D. Owen
Breweries .....by J. M. Boylan
Theatres .....by C. C. Dominge
Cotton Mills .....by A. G. Wilbor
Soap Factories .....by E. O. Torbohm
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The Weekly Underwriter

58 William Street,
New York, N. Y.

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NATIONAL CONTRACTS SATISFY THE AGENT

Territory open. Write for terms.

THE CONNECTICUT MUTUAL

That means the best life insurance to have and the best to sell. If you can sell life insurance, you can sell more of it for the CONNECTICUT MUTUAL.

Men of character and ability are invited to apply.

CONNECTICUT MUTUAL LIFE INS. CO., Hartford, Conn.

Please mention this paper

1860 50TH YEAR 1910

HOME LIFE INSURANCE COMPANY

OF NEW YORK.

GEORGE E. IDE, President

ASSETS, $23,626,018.63 LIABILITIES, $21,858,691.52 (Including Deferred Dividend Fund)

Dividend-Endowment Fund (Deferred Dividends)	$2,119,044.00
Net Surplus	1,767,327.11
Insurance in Force	92,532,583.00

The Record for 1909 shows the following GAINS:

Insurance in Force	$4,164,239.00
Assets	1,917,117.00
Deferred Dividend Reserve	148,581.00
Contingency Reserve (Surplus)	655,149.17

OLDEST IN AMERICA STRONGEST IN THE WORLD

The Mutual Life

Insurance Company of New York

Mutual Life Agents Make Most Money Because Mutual Life Policies Sell Most Freely

For terms to producing agents address:

GEORGE T. DEXTER, 2d Vice-President,

34 Nassau Street, New York, N. Y.

[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1, 1910

CAPITAL

$1,500,000

RESERVE FOR ALL OTHER LIABILITIES

8,222,018

NET SURPLUS

6,440,211

ASSETS

16,162,229

GERMANIA

FIRE INSURANCE COMPANY

Organized 1859 **NEW YORK**

Cash Capital	$1,000,000.00
Assets	$6,568,839.14
Net Surplus	$2,008,419.02
Surplus for Policy Holders	$3,008,419.02

HEAD OFFICE: Cor. William and Cedar Streets

The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1910	$3,470,509.30
Total Liabilities, except Capital	1,920,837.24
Capital	500,000.00
Surplus to Policyholders	1,549,672.06

F. F. BUELL, Special Agent, Troy, N. Y.

Provident Life and Trust Co.

OF PHILADELPHIA.

The Provident has been particularly distinguished for the development of a highly trained force of agents. The systematic instruction which its agents receive has resulted in their being recognized as representatives of exceptional knowledge of the business and of marked efficiency.

Insurance Company of North America

FOUNDED 1792

232 Walnut Street, Philadelphia

Assets, January 1, 1909 ..... $12,014,062.63

LIABILITIES—Reserved for Reinsurance and all other claims	$7,263,156.97	
Capital Stock	3,000,000.00	
Surplus over all Liabilities	1,750,905.66	$12,014,062.63

Agents in all the principal towns and cities.

EUGENE L. ELLISON, President.

T. HOUARD WRIGHT, Secretary. HENRY W. FARNUM, Assistant Secretary.

BENJAMIN RUSH, Second Vice President. JOHN O. PLATT, Assistant Secretary

Surplus to policyholders, $4,750,905.66.

Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

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1857 —— CHARTER PERPETUAL —— 1910

THE GERMAN MUTUAL LIFE INSURANCE COMPANY
OF ST. LOUIS, MO.

Attractive Policy Forms and Low Premium Rates.
Liberal Contracts to Reliable Producers.

PROVIDENT SAVINGS LIFE ASSURANCE SOCIETY N.Y.

The Only Company in the World That
"INSURES LIVES AND GUARDS THEM AGAINST DISEASE"
AGENTS WANTED
Apply to F. E. McMULLEN, 2nd Vice-President and Supt. of Agencies
HOME OFFICE BUILDING
35 Nassau Street, New York, N. Y.
E. E. Rittenhouse, President.

FIRE ASSOCIATION
1817 OF PHILADELPHIA 1908

Total Assets,	$7,840,675.19
Capital Stock,	750,000.00
Net Surplus,	1,804,021.58

E. C. IRVIN, President.
T. H. CONDERMAN, Vice-President.

New York City Department
KELLY & FULLER, Agents
92 William Street, New York City
Boston Department
JOHN C. PAIGE & CO., Agents
65 Kilby Street, Boston, Mass.

THE Fidelity and Casualty Company,

97-103 CEDAR STREET, NEW YORK CITY.

Assets, $9,607,864.46.
Capital and Surplus, $3,378,053.64.
Losses Paid to June 30, 1910, $33,065,866.09.

This Company grants Insurance as follows:
Bonds of Suretyship for persons in positions of trust,
Fidelity Bonds, Burglary, Plate Glass,
Steam Boiler, Flywheel, Employers',
Public, Teams, Workmen's Collective,
Elevator and General Liability;
Personal Accident, Health
Physicians' Liability.

OFFICERS:
George F. Seward, President.
Robert J. Hillas, Vice-President and Secretary.
Henry Crossley, Assistant Secretary.
Frank E. Law, Second Assistant Secretary.
George W. Allen, Third Assistant Secretary.

ILLINOIS LIFE
INSURANCE COMPANY, CHICAGO
JAMES W. STEVENS, President.
Offers exceptional inducements to reliable and energetic men who are experienced in or who would like to enter the business of life insurance.
Address the HOME OFFICE:
Fort Dearborn Building 134 Monroe Street

MEN OF ENERGY
ARE OFFERED
WORK OF MOMENT

in desirable localities representing a sixty-year-old institution, with modern, liberal, law-conforming policies, and helpful Home Office co-operation. Much good territory available. Many opportunities for advantageous positions. Inquire NOW.

Union Mutual Life Insurance Co.
PORTLAND, MAINE
FRED E. RICHARDS, President
Address either: ALBERT E. AWDE, Supt., Flatiron Bldg., Watertown, N. Y.
THORNTON CHASE, Supt., 405 Exch. Bldg., Los Angeles, Cal.

WANTED

A Superintendent of Agencies for a Company with

Insurance in force of more than $70,000,000
Assets of more than - - - - 20,000,000
Surplus of more than - - - - 2,000,000

A HOME OFFICE POSITION

Address: "SUPERINTENDENT," care of this paper

IT PAYS THE AGENT

To represent the best company. There are many excellent standard life insurance companies. Which is the best? In stability, progressiveness, liberal contracts to agents and low cost to policyholders no company surpasses

THE
Union Central Life
Insurance Co. of Cincinnati
ASSETS, $74,523,966.28 - - - LIABILITIES, $72,324,302.92
Good openings are occuring from time to time.
ADDRESS:
JESSE R. CLARK, President. ALLAN WATERS, Sup't of Agents.

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The Northwestern
Mutual Life Insurance Co. of Milwaukee

GEO. C. MARKHAM, President
A. S. HATHAWAY, Secretary

New Business Paid-For

1905	$ 90,334,038
1906	93,563,452
1907	102,233,634
1908	109,685,428
1909	113,716,188

Each year larger than any in the previous history of the Company.

Commenced Business 1858

INSURANCE MEN will note the significant increase in The Northwestern's new business during the past five years.

IMPORTANT FACTS relating to this business are shown by the following percentages:

	Expenses	Mortality	Interest
1905	12.15	67	4.73
1906	11.76	59	4.72
1907	11.81	58	4.76
1908	10.76	59	4.84
1909	10.63	54	4.85

It is capable of easy demonstration that The Northwestern is the best Company to insure in.

See The Northwestern's new (1910) policy contract with its Dividend Options, Paid-up and Endowment Options, Options of Settlement and the Premium Loan Feaures.

Issues Partnership and Corporation Insurance.

For further information or an Agency, address

H. F. NORRIS,
Superintendent of Agencies.

The Liverpool & London & Globe Ins. Co.
LIMITED

ESTABLISHED 1836. ENTERED THE UNITED STATES, 1848

NEW YORK OFFICE:
WILLIAM AND PINE STREETS.

NEW ENGLAND, NEW YORK, PENNSYLVANIA, NEW JERSEY, OHIO, INDIANA, KENTUCKY, TENNESSEE, MARYLAND, DELAWARE, DISTRICT OF COLUMBIA, VIRGINIA, WEST VIRGINIA, NORTH AND SOUTH CAROLINA.

H. W. EATON, Manager.
GEO. W. HOYT, Deputy Manager.
J. B. KREMER, JR., T. A. WEED, } Agency Superintendents.

CHICAGO OFFICE:
203-205 LA SALLE STREET.

ILLINOIS, MICHIGAN, IOWA, WISCONSIN, MINNESOTA, MISSOURI, KANSAS, NEBRASKA, COLORADO, NORTH AND SOUTH DAKOTA, MONTANA, UTAH, WYOMING AND NEW MEXICO.

W. S. WARREN, Manager.
GEO. H. MOORE, Assistant Manager.
HUGH R. LOUDON, Deputy Asst. Manager.

NEW ORLEANS OFFICE:
CORNER CARONDELET AND COMMON STREETS.

LOUISIANA, MISSISSIPPI, ALABAMA, ARKANSAS, OKLAHOMA, GEORGIA, FLORIDA, TEXAS.

CLARENCE LOW, Manager.
J. G. PEPPER, Assistant Manager.
THOS. H. ANDERSON, Deputy Asst. Manager.

SAN FRANCISCO OFFICE:
444 CALIFORNIA STREET.

CALIFORNIA, NEVADA, OREGON, WASHINGTON, IDAHO, ARIZONA, ALASKA

CHARLES D. HAVEN, Manager.
C. MASON KINNE, Assistant Manager.
JOHN W. GUNN, Deputy Assistant Manager.

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ASSURANCE COMPANY, LIMITED, OF LONDON

(ESTABLISHED 1782)

LOSSES PAID, OVER - - - - $200,000,000

HEAD OFFICE FOR THE UNITED STATES

47 CEDAR STREET, NEW YORK CITY

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HARTFORD LIFE INSURANCE COMPANY

CHARTERED FORTY-THREE YEARS

GEO. E. KEENEY, President. THOMAS F. LAWRENCE, Secretary

1909 Policy Contracts are Participating and Non-Participating. Annual or Deferred Dividends—Rates revised and made lower. Values based upon the FULL RESERVE. Desirable Contracts for Producers. Address—

Second Vice-President, Home Office, HARTFORD, CONN.

1825. THE 1910.

Pennsylvania Fire Insurance Company

OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,349,997.67
Surplus	2,233,426.43
Total January 1, 1910	$7,332,524.10

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

INCORPORATED 1851.

Berkshire Life Insurance Company

OF PITTSFIELD, MASS.

All Policies issued by the Company are subject to the Massachusetts Non Forfeiture Law.

JAMES W. HULL, President.
W. D. WYMAN, Vice-Pres. and Treasurer. J. M. LEE, Actuary.
THEO. L. ALLEN, Sec. ROBT. H. DAVENPORT, Asst. Sec
Agencies in all the principal cities of the United States.

"The Leading Fire Insurance Company of America."

Incorporated 1819. Charter Perpetual.

Cash Capital	$4,000,000.00
Cash Assets	18,062,110.33
Total Liabilities	7,999,405.99
Net Surplus	6,062,704.34
Surplus as to Policyholders	10,062,704.34
Losses Paid in 91 Years	119,451,567.10

WM. B. CLARK, President.
W. H. KING, Vice President.
HENRY E. REES, Secretary.

A. N. WILLIAMS, E. J. SLOAN, E. S. ALLEN, GUY E. BEARDSLEY, W. F. WHITTELSEY, JR., "Marine," } Assistant Secretaries.

WESTERN BRANCH, Chicago, Ill.
THOS. E. GALLAGHER, Gen. Agt.
L. O. KOHTZ, Asst. Gen. Agt.
J. S. GADSDEN, Gen. Agt. "Marine."

NORTHWESTERN BRANCH, Omaha, Neb.
WM. H. WYMAN, Gen. Agent. W. P. HARFORD, Ass't Gen. Agent.

PACIFIC BRANCH, 514 California St., San Francisco, Cal.
E. C. MORRISON, Gen. Agt.
A. G. SANDERSON, Asst. Gen. Agt.

INLAND MARINE DEPARTMENT,
CHICAGO, 159 La Salle St. NEW YORK, 95 and 97 William St.
BOSTON, 70 Kilby St. PHILADELPHIA, 226 Walnut St.

The Columbian National Life Insurance Co. of Boston, Mass.

LIFE, ACCIDENT AND HEALTH INSURANCE

The Only Massachusetts Non-participating Company.

The New Columbian Policies are Unexcelled in Clearness and Liberality. Good Contracts and Territory for Good Producers.

ARTHUR B. CHILDS, President

COMMERCIAL UNION ASSURANCE CO.

LIMITED,

OF LONDON.

OFFICE:

Cor. Pine & William Sts., New York.

GUARANTEES—NO ESTIMATES

ARE ALL POLICIES OF

American Central Life Insurance Co.

INDIANAPOLIS, INDIANA.

INSURANCE IN FORCE, $25,000,000. ASSETS $2,462,000

High Class Salesmen Wanted in

Tennessee, Missouri, Arkansas, Alabama, Michigan, Pennsylvania, Ohio, Indiana, Illinois, Texas, Kansas, Oklahoma and Kentucky

A NEW PLAN

OF COMPENSATING SALESMEN

Write for Information Today

THE LEADING FIRE COMPANY OF THE WORLD

[of Liverpool, England.]

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A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS is unsurpassed for net low cost and care of interests of all members.

The Penn Mutual Life Insurance Company
OF PHILADELPHIA

On January 1, 1909, rates were reduced and values increased to full 3 per cent. reserve.

National Life Insurance Company
of the United States of America

ALBERT M. JOHNSON, President

More than $9,750,000.00 in Assets
Excess Security to Policyholders, $1,300,000.00

Chicago's Oldest and Strongest Company

OUR NEW POLICIES ARE WORLD BEATERS
LOW RATES AND HIGHEST VALUES

You Lose Money When You Neglect Your Chance to Sell Them

WRITE TO
Robert D. Lay, Secretary, 159 La Salle Street, Chicago.

THE
John Hancock
MUTUAL
LIFE INSURANCE COMPANY
OF BOSTON MASSACHUSETTS

Good Contracts for Good Men.

ROLAND O. LAMB, President.
Robert K. Eaton, Superintendent of Agencies.
Walton L. Crocker, Secretary.

WILLIAM N. COMPTON, General Agent, St. Paul Building, New York

North British & Mercantile
INSURANCE COMPANY,
OF LONDON AND EDINBURGH.

Established 1809.

OFFICE:
76 WILLIAM STREET,
New York City.

HANOVER
Fire Insurance Company
OF NEW YORK.

Agencies in all the Principal Places in the United States.

Western Assurance Company
HEAD OFFICE: TORONTO, CANADA.
INCORPORATED 1851.
Hon. GEO. A COX, President.
W. R. BROCK and JOHN HOSKIN, K. C., LL. D., Vice Presidents.
W. B. MEIKLE, General Manager.
UNITED STATES STATEMENT, JANUARY, 1910.

Assets	$2,377,308.37
Surplus in United States	339,268.07

"STRONG AS THE STRONGEST"
THE NORTHERN ASSURANCE CO.
(Ltd. of London)
ORGANIZED 1836 ENTERED UNITED STATES 1876

Losses Paid	$33,000,000
Losses Paid in the United States	$27,000,000

EASTERN AND SOUTHERN DEPARTMENTS.
Company's Building, 38 Pine Street, New York

Net Surplus and Capital, $486,413
Income 1909, . . . 1,146,723

WILL AID GOOD MEN IN ESTABLISHING AGENCIES
Best Policies, Largest Commissions or Profit Sharing Contract
NORTH AMERICAN ACCIDENT INS. CO.
A. E. FORREST, Vice-Pres. & Sec'y, Chicago.

THE HOME LIFE INSURANCE COMPANY
OF AMERICA. Inc. 1899
JOHN LANGHAM, Jr., President JOSEPH L. DURKIN, Secretary
EDWARD P. MADDEN, Treasurer

General Agents and District Managers
who can produce Ordinary Business can secure "GROUND-FLOOR" contracts with GUARANTEED RENEWALS and an assignment of territory limited only by capacity to produce AGENCY ORGANIZATION and Business. Send for Sample Policy. *It is one you can sell.*

New Business, $1,500,000, January-June, 1910.

Address GEO. M. NETTLESHIP, General Manager
Executive Offices, 416-18-20 Walnut St., Philadelphia, Pa.

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OCT 31 1910
CAMBRIDGE, MASS.

The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

VOL. LXXXIII. NEW YORK, SATURDAY, OCTOBER 29, 1910. No. 18.

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

THE twenty-three general and special agents belonging to the executive and Virginia committees of the South Eastern Underwriters' Association who went to Newport News last week to be tried for conspiracy against the Commonwealth of Virginia in raising rates in the little burgh are still in waiting through the inability of the local judge to decide whether to grant the demurrer for which they have applied. A special dispatch to this paper from Newport News yesterday announced that the judge had "again postponed his decision." This is the second postponement. In any event the fire insurance men will not go to jail immediately, for they will take an appeal to the State Supreme Court if the demurrer is decided against them, and the prospects are either a long delay before a jury trial is reached or a final dismissal of the preposterous charge conceived in small cross-road malignity and resentment. This vexatious matter forces still more to the front the question of municipal taxation of fire insurance in the South, and in the present instance in Virginia. The evil is a growing one, and the application by the companies of the common remedy of making the consumer pay the tax, as at Newport News, produces conflict. The Virginia Tax Commission should cut it out in the interests of comity and peace.

AN additional safeguard of the utmost value against a sweeping conflagration on Manhattan Island has been established by the Pennsylvania Railroad Company in its stretch of buildings and connections from Ninth to Fifth avenues, an account of which we print this week. Embraced within the twenty-eight acres covered by the station and these connections are three miles of piping and one hundred and seventeen hose connections, besides hydrants and a continuous and uninterrupted supply of water sufficient to maintain twelve standard fire streams, or 3,000 gallons per minute. The Fire Department in case of trouble within the station area will find its work supplemented by the company's own fire brigade system, composed of a hose wagon company, chemical engine company and standpipe company. The system embodies every modern device for fire fighting, and was installed, we are assured, after an exhaustive study of the needs of the city by the insurance engineers. The belief of competent authority that a fire of large proportions within the Pennsylvania Station area is now practically impossible will be welcomed by property holders, and still more by their insurance protectors.

ONE of the most intricate problems struggling for solution is that of "unemployment insurance," and some results of a study of the subject by Mr. A. R. Barrand, of the British Institute of Actuaries, shed light on the difficulties which bar the way. The principal one is the absence of trustworthy and exhaustive statistics upon which the cost of such a system of insurance can be based. Among the other elements entering into the problem are the differences in the extent of unemployment and capacity to contribute to the cost of insurance, an adequate method of supervision against fraud and the organization of the great mass of unskilled and casual labor for the purposes of such a plan of insurance. It is manifest that the first and imperative step toward an adequate understanding of the matter is the gathering of data, and even this must in its earlier steps be based to some extent on "guesses, scientific and otherwise." In the opinion of Mr. Barrand "it is only when the system is actually at work, and statistics based upon its work are available, that it will be practicable to forecast, with some degree of accuracy, the cost of the system from year to year." But there must be a beginning in exploration for facts, and that should be undertaken at once. These observations apply to this country as well as abroad. It will be interesting to note that it is Mr. Barrand's view that any system of employment insurance should include with the risk of absence of employment under normal conditions those of sickness and invalidism and the provision for old age. In other words, all forms of unemployment, whatever the causes, must be combined for practical results.

THE Insurance Commissioner of Wisconsin publishes the opinion of the Attorney General of that State that the insurance law is violated when an agent residing outside the State, of a life insurance company not authorized to do business in the State, transmits by mail to a citizen and resident of the State a letter soliciting him to take out a policy in such unauthorized company. Although the citizen so solicited goes outside the State for his medical examination, and the policy is granted and mailed to him from outside the State to his residence in the State, and his check for the premium is sent to the agent outside the State, still the law is violated. In other words, if an agent in New York of the Mutual Life induces a citizen and resident of Wisconsin to apply for a policy in that company, and the company issues it, after an examination of the applicant in New York, both the agent and the company are criminally liable for violation of the Wisconsin law forbidding the placing of risks on a Wisconsin resident unless such company possesses "a certificate of authority showing that the corporation is licensed to do business within the State." The penalty to which the Attorney General claims that the company is liable for each offense is a fine of not more than $5,000, and the outside agent a fine of not more than $1,000 and imprisonment in

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the county jail not exceeding one year, or both such fine and imprisonment. Naturally the question arises that if Wisconsin proceeds in its own courts against the outside company and agent and obtains judgment, how the same can be enforced? It is obvious that very much would depend on the locality of the contract, and an outside State court would want a great deal of evidence on that point. The situation is an unusual one, and the life insurance companies which withdrew from Wisconsin a few years ago, and have not gone back, will want to consider if there is anything alarming in the warning of Insurance Commissioner Beedle that they will be punished awfully if they write on lives within his official jurisdiction. We reprint his circular notice to all concerned.

Facts and Opinions.

The growth of **the fire reinsurance business** being done in this country by foreign companies is interesting. Twelve years ago there was not a single reinsurance company doing business on this side of the Atlantic, although the practice had been popular on the other side for some years. Very little of this kind of business was done among home companies, practically all of it being insurance turned over to smaller companies by big ones to avoid inconvenience to large insurers or to oblige agents. Today agents are going more and more after the big lines, depending on reinsurance to distribute the liability. This is criticised in some quarters as a gamble on the probability of escaping a disproportionate loss during the time of the transmission of the report and the subsequent process of reinsurance. The idea of reinsurance is discouraged in other quarters on account of the fact that the reinsuring company must accept the underwriting ability and judgment of the insuring company's agent. Strictly reinsurance companies are bound by the terms of their agreement to accept whatever is offered them by the companies in their contracts without any privilege of inspection or selection. According to a well known underwriter in this city this is the reason there exists at the present time no American reinsurance company. This fact, however, does not appear to deter foreign reinsurance companies from entering the American field of late. A glance at the figures representing the business transacted by the various foreign reinsurance companies now in the United States will be profitable:

Name of Company.	Date of Entry.	First Year Premiums.	1909 Premiums.
Cologne Reinsurance	1899	$459,044	$1,202,167
First Russian	1906	609,129	806,159
Jakor	1907	158,296	2,110,912
Moscow	1899	696,031	1,924,492
Munich Reinsurance	1897	46,634	5,507,812
Rossia	1903	1,018,666	4,846,342
Russian Reinsurance	1906	611,834	1,209,812
Salamandra	1899	660,156	3,391,345
Skandia	1899	443,931	1,380,107
Totals		$4,703,721	$22,379,148

During the present year there have entered this country for reinsurance business the Swiss National Fire and the Swiss Reinsurance Company, no figures for whose business are available at present.

The Topeka *State Journal*, being instigated by the devil, and possibly by the mortified ex-president of a defunct local insurance company which had been exposed by Examiner S. H. Wolfe, proceeded to make certain **libelous charges** against that representative of the State insurance departments in the examination. Being called upon to prove its allegations in court, the newspaper instituted a belated inquiry into their truth, and then **proceeded to take everything back** in the following exhaustive style:

In our issue of September 26, 1910, we reflected seriously upon the motives of S. H. Wolfe, the examiner in charge of the investigation into the affairs of the Shawnee Fire insurance company. In it we stated that Mr. Wolfe attempted to blacken the Shawnee management, and that he had a grievance against the company as a result of its refusal to pay him a fee of $3,000. Wishing to do no injustice to Mr. Wolfe, or to anybody else, we have made an examination of the situation, and find that we were misled in our publication. Mr. Wolfe states (and we have every reason to believe that his statements are absolutely correct) that he never demanded a fee of any kind from the Shawnee Fire insurance company, that the bills for his services were rendered to the insurance departments employing him, and that he was paid by them. On September 21, 1910, the bill for the Minnesota Insurance Department was presented by an official connected with that department, and the Virginia bill was presented to Mr. Going by Lee J. Wolfe (a brother of S. H. Wolfe) after he was instructed to take such action by a telegram from the Virginia commissioner. Within twenty-four hours after the presentation of these bills, the Shawnee Fire insurance company paid them—the Minnesota one by a check payable to the order of John A. Hartigan, Insurance Commissioner of Minnesota, and the Virginia bill by a check payable to the order of Joseph Button, Commissioner of Insurance of Virginia. It will be seen, therefore, that S. H. Wolfe made no demand upon the company, that the only bills presented to the company by anybody were the official bills rendered in the names of the States of Minnesota and Virginia, and that these bills were promptly paid by the insurance company. Under the circumstances it must be apparent that no motive such as we ascribed to Mr. Wolfe existed or could have existed, and therefore the publication in the Topeka State *Journal* of September 26, 1910, was wholly unwarranted, and was due to our misconception of the facts in the case.

It is but just to Mr. Wolfe to say that an examining official who in pursuance of his duty must report defective management when found will naturally create personal antagonisms, but despite this no improper official conduct has ever been traced to Mr. Wolfe, and that is one of the reasons why he possesses the entire confidence of the heads of State insurance departments.

One of the most successful agents connected with the Pittsburgh agency of the Equitable Life was **Edward Agnew**, who died at Sewickley, Pa., on October 20, aged eighty-three years. In a notice of his death issued by the agency it is said that "the force for good exerted by Mr. Agnew, and the spreading of the gospel of life insurance, make his loss a very distinct one to the entire business." The following account of his insurance work is given:

Entering the business at the comparatively advanced age of fifty-seven, from the very first week he succeeded, and year after year led even the great Pittsburgh agency, and made record after record, and won prize after prize. Every policyholder he secured was made a friend. For seven consecutive years he led the agency. He was twice president of the Lunch Club, first president of the Century Club, composed of the writers of $100,000 cases, and ranked ninth in the honor roll of the agency. He qualified eight times for the agency's annual outing. He carried a handsome repeating watch for leading the agency in 1890, which was inscribed by the society "as a token of his zeal, fidelity and integrity." Perhaps his greatest feat, and one that has been unequaled by anyone older or younger, was when, seventy-six years of age, he secured in eight working days in May, sixty-three applications, of whom sixty-one were examined, and on which fifty-nine policies were issued and paid for, and of which fifty-three paid the second premium. During one of these eventful eight days he secured sixteen different applications. Mr. Henry B. Hyde used to call him "the great and only Agnew," and James W. Alexander had inscribed on the medal commemorating the securing of the fifty-nine applications—

"A friend to truth,
Of soul sincere;
In action faithful
And in honor clear."

A notable addition to the **library of the Insurance Society of New York** was the receipt on Monday of a photographic copy of the **oldest existing original insurance policy.** It is dated Sepetmebr 20, 1547, and was issued on a marine risk owned by one John Broke. The policy is written in Italian, and its terms do not specify any of the perils it was intended to cover, thus making it a policy of indemnity against every

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peril. Its discovery is of the greatest importance as establishing a connecting link between the old forms of "maritime loans" and the present maritime policies. Previous to finding the "Broke" original, the oldest original was that of a Lloyds policy of 1688, a printed copy of which was inserted in the menu card of the society's dinner on Tuesday evening. The oldest other policy form in existence is a copy of the "Tiger" policy of 1613. The library has also received this week a reproduction of a fire policy numbered 2966 of the date of December 11, 1686, issued by the Friendly Society, established in England in 1683. The original is now owned by the Yorkshire insurance company. Among the other publications received this week is a booklet containing three lectures on fire prevention delivered before the Stevens Institute of Technology by E. T. Cairns, E. P. Boone and W. D. Gier, as reprinted from the *Stevens Indicator*. Applications for membership in the society have been coming in rapidly this week, and it is likely that a limit will be established at the next meeting of the executive committee.

The **conspiracy case at Newport News**, Va., against the members of the executive and Virginia committees of the South Eastern Underwriters' Association was called for trial on October 17, and all the defendants, twenty-three in number, were present and were arraigned. Their attorneys moved by demurrer to quash the warrants not only as being defective but as showing no evidence of the violation of the common law or any Virginia statute. Judge Barham took the matter under advisement, and notwithstanding the announcement of a forthcoming decision late last week and again on Friday of this week, he has not yet been able to make up his mind. A special dispatch from Newport News to this paper yesterday said that he had again postponed his decision on the demurrer. His hesitation is interpreted by underwriters favorably, but local lawyers say that Judge Barham is "not much on sustaining demurrers anyhow," and that he probably feels that no injustice would be done by overruling the demurrer and allowing the question to be decided by the State Supreme Court, whose decision would be final in Virginia. The State would have no appeal in case Judge Barham held that the demurrer is good, and that, too, would settle the matter. It is reported that there is little local interest in the case now, the citizens not bothering themselves by going into court to watch the proceedings.

The opening of the fall activities of the **Insurance Society of New York** was observed with a dinner at the Underwriters' Club Tuesday evening, followed by an address on "Marine Insurance," by Archibald G. Thacher, Esq., of the law firm of Wallace, Butler & Brown. On account of the Legislature having at its last session granted authority to fire insurance companies to write marine insurance also, the address was listened to with careful attention by the 200 or more present. It was a masterful presentation of the history of marine insurance, together with an elucidation of the details of the business. Mr. Thacher also touched on regulation, stating that as early as 1523 the form of the policy was prescribed, also the rate of premium. As to Federal supervision, he said that he believed if the matter should be differently presented to the Supreme Court than it ever had been a different ruling might be obtained, but he thought a serious doubt existed as to whether Federal supervision would prove preferable to that now practiced by the States. The arrangements for the dinner reflected credit on the dinner committee. The waiters wore marine uniforms, and the service started to the music of the "Highland Fling." The same music accompanied the promenade preceding the last course. The executive committee reported the acceptance of forty-seven new members, making a total membership of 563.

The New York Insurance Department has issued a circular letter addressed to all the fire insurance companies doing business in this State and **issuing underwriters' policies.** These policies, Superintendent Hotchkiss says, are nothing but a contract of the company issuing them, though under the title of an underwriters' agency. He rules that such a contract is not permissible under the insurance law of New York State, and directs that no more policies of this character shall be issued in New York. He calls particular attention, however, to the fact that by an amendment of this year to the insurance law, as recommended by the department, an underwriters' or combination policy written by two or more companies and duly approved by the superintendent is permissible. Such a combination policy, with a distinctive title therefor, may be used in New York State. No policy written by a single fire company with a distinctive title other than the corporate title of the company is permissible for use in New York. The most prominent agency representing a single company is the New York Underwriters' Agency, which has been issuing a contract for the Hartford Fire insurance company for many years. Manager J. H. Stoddart states that the ruling in no way affects the agency's policy, because it distinctly sets forth the name of the company whose contract it is.

The Iowa Supreme Court has **sustained the suicide clause** in a life insurance policy in the case of Gavin against the Des Moines Life. The insured was but nineteen years old at the time of death. The insurance was payable to his mother. The policy provided: "This policy shall cease and be null and void and of no effect (1) if within two years from date hereof the insured shall commit suicide or die of his own hand or act, whether sane or insane at the time." In the lower court there was a verdict and judgment for the beneficiary. The Supreme Court of Iowa reversed the judgment, and, after reviewing the evidence at considerable length, said in part:

> The policy is made void if the insured died by his own hand or act, whether sane or insane, and the jury should have been instructed on that provision of the policy as requested by the defendant. It is not an uncommon belief that no absolutely sane person will destroy his own life. And, where the policy provides that it shall be void if death be caused by the act of the insured whether sane or insane, an instruction should be given covering such provision. Nothing was said in the instructions about it, however. On the contrary, the jury was told all through the instructions that to defeat a recovery the defendant must prove that the insured committed suicide. The cases generally make a distinction between suicide and self destruction when insane. Suicide includes the moral element of intentional self destruction, while an insane man may commit the act without the presence of such moral element.

The **General Adjustment Bureau** has made a statement of its operations in handling fire losses in the past four years, from which it appears that the average cost of its services to its patrons for adjustments, appraisals, traveling expenses, estimates, experts, was $1.25 per $100 of admitted losses for the four years, aggregating $22,193,367. The organization now has eighty-five members, and the territory covered by its operations embraces the States of New York (except New York city), New Jersey, Pennsylvania, Delaware, Maryland, West Virginia and the District of Columbia. This field is divided into six departments under the supervision of separate managers, and the whole is directed by William J. Greer as general manager. The officers of the General Adjustment Bureau are E. H. A. Correa, president; C. D. Dunlop, vice president; N. E. Bassett, secretary. The membership includes nearly all the prominent fire insurance companies doing business in this part of the United States. The success of the Bureau is due very materially to the efficiency of General

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Manager Greer. He has an able assistant in D. C. Brown, superintendent of adjustments.

The Illinois Appellate Court has given its decision in the suit of the **Fitzsimmons-Kreider Milling Company,** at Jacksonville, Ill., against the Ohio Millers, Millers National, Iowa Millers Mutual and Illinois Millers. The companies had denied liability for their loss on the plant on the claim that the watchman clause in the policy, guaranteeing that it would be under constant protection, had been violated. It was conceded that the watchman had not been on service Sundays and holidays, but the milling company made the point that the warranty had been practically waived by the insurance companies, since their inspector had knowledge that the watchman was not on service Sundays and holidays, and had made no protest, and the companies had accepted premiums thereafter. The company used a watchman's clock, the punched records of which showed that the watchman was not on service Sundays and holidays, and these records had been checked by the insurance companies' inspectors on their visits. The Appellate Court held that these facts waived the right to contest under the watchman clause.

A **great fire burned out** the heart of the business section of **Victoria,** British Columbia, on Wednesday night, involving a loss of over $2,000,000. Huge firebrands floated on the high wind which swept toward the water front, and it was with great difficulty that the firemen, aided by the militia and the garrison at Work Point Barracks, kept the flames from sweeping a broad path to the water's edge. The fire started shortly after 10:30 o'clock in the department store of David Spencer & Co., Ltd., one of the largest retail establishments in Victoria. Fanned by a high wind, the flames spread with alarming rapidity. The recently organized fire brigade found itself unable to cope with the conflagration, and the troops were called out. The soldiers not only aided in keeping order among the frightened, half-clad crowds, but manned the fire apparatus and helped the fire brigade combat the flames. Nothing is said in the dispatches about the insurances, but as the buildings burned were of the valuable class the companies, most of which are British and Canadian, must be seriously affected.

The death of former Insurance Commissioner **J. Montgomery Forster,** of Pennsylvania, was announced in our last week's issue. The *United States Review* has the following sketch of this gentleman, once so prominent in the insurance world:

J. Montgomery Forster, first Insurance Commissioner of Pennsylvania, died last Monday at the home of his daughter, Mrs. J. Clark Rankin, at Mercersburg, Pa., after a prolonged illness, aged eighty-two years. Mr. Forster was clerk in the auditor general's office when General John F. Hartranft was chief of that office, and had charge of the insurance business, then handled by the corporation bureau, and later drafted the bill creating the insurance department. The bill was enacted into law shortly after Hartranft become governor, and Mr. Forster was appointed insurance commissioner on May 5, 1873. He retained this office until 1891, serving under Governors Hartranft, Hoyt, Pattison and Beaver. His only son, Robert E. Forster, of Philadelphia, is actuary of the Insurance Department, and gave valuable testimony during the insurance investigation of 1906. In early life Mr. Forster was a printer, and during the Civil War, with two other employees of the Harrisburg *Patriot,* was arrested as a result of a copperhead prank played on some of the "devils." The men were soon released. Mr. Forster was private secretary of J. Donald Cameron when the latter was president of the Northern Central Railroad Company before his election to the United States Senate.

The *Agents' Record* of the United States Health and Accident of Saginaw, Mich., tells the following **good story with a good moral:** "Once upon a time there was a boy by the name of Sandow who was confined to his bed with what the doctors called an incurable spinal disease. His father suspended from the ceiling two iron rings directly over Sandow's bed so that the little fellow could grasp them and move his body from one side of the bed to the other. By daily exercise his shoulders, arms, hands, limbs, and even his weakened back became strong and active. That sickly boy grew up to be Sandow the strong man. He was a product of development. But, if he hadn't exercised his muscles, they would have grown weaker instead of stronger. Similarly, if you don't exercise your God given faculties, they will decay. If you don't keep your eyes open you will go blind. If you don't talk, you will become dumb. If you don't develop your powers of soliciting insurance you will never reach your full capacity—but will always be a 'rough and unfinished' product, not a product of development."

In a letter to his field force, President and General Manager C. L. Ayres, of the **Northern Assurance Company** of Michigan, says:

You will note the use of the word "we" in quotations, and I wonder how many of our good friends have learned to feel and say "we" when thinking or speaking of the Northern Assurance Company of Michigan. It is your duty to feel that you are a part of the great force that is building up and making this splendid company. It is your duty to feel the responsibilities which rest upon each of us in the upbuilding of the company. The word "we" has a magic touch—a thrill of responsibility and interest in company matters that will make each man a better "Northern man." It will sink "self interest" into insignificance when compared with the feeling of interest for the general good of all. It will put the Northern Assurance Company's matters and progress uppermost in your minds and hearts, and make the soul respond to the responsibility which rests upon your shoulders in the important work "we" have before us in making the Northern Assurance Company the greatest institution of its kind and age in this broad land. It will inspire that "soul interest" which makes for a greater efficiency in your work, and finally add materially to the sum total of individual reward. Say "we," think "we," act "we" and be "we."

The remarkable growth of the **Continental Life of Wilmington, Del.,** is worthy of mention. At the third anniversary of the company ground was broken for the building of a handsome home office, representing an investment of $50,000, and it was also made known that the company had written during the month of September $1,303,500 of new business. Within the past year the company has extended its field of operations from its home State and a part of Maryland to the balance of Maryland and a part of eastern Pennsylvania. Philip Burnet is president of this aggressive company, and its second vice president, G. E. Saulbury, is second on the list of producers for the month of September, with a total of $190,500 to his credit. These two men are responsible for the origin of the company and its phenomenal success. The vice president is Harvey L. Cooper, and John D. Kurtz is secretary and treasurer.

An inventory of the personal property of the late Dr. **Leslie D. Ward,** first vice president of the Prudential insurance company, was filed in Newark on Wednesday. It fixes the value at $3,965,483. Real estate not included in the inventory is estimated at $500,000. The most important item in the inventory is that of investment securities. These total $3,423,770, those in Newark enterprises amounting to $1,884,620, while $1,539,149 in securities were found with Dr. Ward's brokers in New York. The personalty at Florham Park, the Ward summer home in Madison, is appraised at $208,115. This includes a score or more of paintings. Jewelry contained in a safe deposit vault was appraised at $14,170. Life insurance carried by Dr. Ward totalled $236,247. Of the investments the largest was in the Public Service Corporation, which amounted to $687,500.

The **Vermont Association of Local Fire Insurance Agents** has elected the following officers: President, Frank W. Wil-

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liams, Brandon; first vice president, George F. Root, Newport; second vice president, A. E. Plaistridge, Northfield; third vice president, A. B. Noyes, St. Johnsbury; secretary, Frank L. Brigham, Bradford; treasurer, Walter A. Clark, Rutland; executive committee, Henry Hickok, Burlington, chairman; F. E. Alfred, Newport; George M. Clay, Brattleboro; F. H. Burnham, Rutland; G. Herbert Pape, Barre; legislative committee, F. E. Alfred, Newport, chairman; J. W. Dillon, Barre; J. W. Fowler, Manchester; John Kearney, St. Albans; F. S. Leonard, Bellows Falls; grievance committee, Alfred E. Watson, Hartford; Linn D. Taylor, Brattleboro. The association passed a resolution favoring the payment of commissions to Southern and Eastern agents equivalent to those paid to Western agents.

A statement has been issued by the directors of the **Protective Fire of Syracuse**, now being organized by the Protective Holding Corporation, in reply to the report just made public by the New York Insurance Department. It is to the effect that Mr. Hotchkiss says "in conversation" that the company is the best now being organized in this State, and that he believes it will succeed. The statement goes on to explain that the expense of organization is constantly growing less, and that by the time the company is ready for business the cost will not be above 8 per cent. It also states that more than $300,000 of stock has been sold, that $330,000 additional has been reserved for the directors at $20 per share, and that approximately $75,000 worth has been reserved on options by original subscribers.

Coronation risks are already being taken out at Lloyds, according to the London *Insurance Observer*, of October 7, which says:

Not till next June does the coronation of King George the Fifth take place, but already insurance against coronation risks are being effected at Lloyds', the premium charged at present being from eight to ten guineas—a fairly stiff rate, in view of the age of the monarch. At Lloyds, however, it seems to be the general belief that existing rates will presently be doubled, but why this should happen is rather hard to understand. Of course, there is a possibility of the coronation ceremony being postponed owing to the death of some near relation of the king, so that underwriters run a double risk, but the chances of anything unforeseen happening in this way seem to be rather remote on the present occasion, and the shopkeepers who do not allow themselves to be frightened into taking out policies at once are just as likely to be gainers as losers by temporarily abstaining from the gamble.

The death was announced last week of Major **William F. Blackford, president** of the Maryland Life insurance company of Baltimore for twenty-three years past. Death was due to pneumonia. Major Blackford was a native of Lynchburg, Va., and was sixty-nine years old. He was a gallant Confederate officer, serving throughout the great war. Immediately afterward he became associated with life insurance, his first company being the Mutual Life of New York. Later he was connected with the Guardian Mutual Life. He became president of the Maryland Life in 1887. He was a director in many important corporations, a man of great activity and occupied a high social position in Baltimore. His widow and one son, William S. Blackford, survive him.

Numerous commentators on our system of government reprove us for a tendency toward **over-legislation.** We make too many laws. Evidently Insurance Superintendent Barnes, of Kansas, is not of that opinion, for in his annual report he recommends to the Kansas Legislature the enactment of twenty-four new laws bearing more or less on insurance. He is a very strenuous supervisor—is Mr. Barnes. Among the laws he wants are: non-forfeiture, standard policy, fire agents' commissions, anti-twisting, uniform fraternal, tax for firemen's relief funds, brokerage and safe Fourth of July celebration laws, and a law making agents responsible for losses on insurance policies placed by them in non-admitted companies.

It is evident that the **uniform fraternal** bill agreed upon by the insurance commissioners and fraternal officials will not pass without some fighting. One James F. Barnes, of Buffalo, is sending out to newspapers for free publication copies of an article severely attacking the bill and claiming that it is a betrayal of fraternal interests. He charges that with but few exceptions the insurance commissioners are united in their efforts to kill fraternal insurance in the United States in the interest of the old line life companies. He further states that the New York department, which leads in the fight against the fraternals, is the most arbitrary and despotic of all the State departments.

The **license of** the **United Order of True Reformers,** the largest fraternal organization for negroes in the world, was on Wednesday **suspended** in Virginia, its home State, due to the receivership of the Reformers' Savings Bank, which owed the order $315,000, and which held checks in payment for claims against the order amounting to $50,000, which it was unable to pay. The Virginia Insurance Department expresses the hope that the order may continue after the affairs of the bank have been wound up and the assets divided. The suspension has caused consternation among the negroes in America, many thousands of whom were members.

At a recent meeting of the **Life Underwriters' Association of San Francisco** action was taken toward securing the annual conventions of all insurance organizations, if possible, for San Francisco in 1915, the year of the Panama-Pacific Exposition. The National Association of Life Underwriters is already pledged to San Francisco in 1915, and it is planned to secure the conventions of the Association of Life Insurance Presidents, the Actuarial Society of America, the National Convention of Insurance Commissioners, the American Life Convention, and others, the scheme being to name it a "World's Congress of Insurance."

That the **joint investigation of** the five million **life insurance risks,** undertaken by the Actuarial Society of America and the Medical Directors' Association, is progressing satisfactorily was the tenor of the informal report of the committee in charge at the last meeting of the Medical Directors' Association. Certain matters connected with the investigation were discussed for the information of those connected with the work by Mr. Arthur Hunter, chairman of the committee. It is believed that by the time of the annual meeting next summer the investigation will have progressed to a point where the desired data may be made public.

The **Fire Insurance Society of San Francisco,** composed of men from the fire insurance offices of that city, was organized recently with a large membership. It is copied after other societies of the kind in New York and other cities, and its objects are purely educational, for the bettering of knowledge of the business among its members. The officers elected are: President, Henry S. Dunn, London Assurance; vice president, George A. Yocum, Westchester; treasurer, G. T. Alberti, Atlas; secretary, William S. Wells, Springfield; librarian, E. M. Bridenstein, Law Union and Rock.

The New York Life is now paying a claim of $1,000 on a paid-up life policy held by a resident of St. Louis who **died twenty-five years ago.** The insurance company had had no

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notice of his death, and discovered the facts through its notice to the policyholder that he had attained the age of ninety-six years, and was therefore entitled to immediate payment. A son of the insured was found, who stated that his father had been dead twenty-five years, and that no knowledge of the policy was had by his family. The amount will be paid on receipt of proofs of death.

The latest illustration of the **honesty of life insurance companies** is the payment of a $2,000 policy to the widow of a victim of the Los Angeles newspaper disaster, who had allowed his policy to lapse, as he supposed, but on comparison of names and investigation of the records by the Travelers' insurance company it was found that by the automatic extension of the policy it was still in force. The widow, on being notified, easily established her identity, and the money was paid last week. The Travelers is entitled to all the credit for the discovery that the policy was still in force.

Forty-one insurance men submitted bids for the $3,000,000 line on **school buildings at Newark, N. J.**, this week, of which thirty-seven were practically uniform. The lowest rates presented were those of Joseph A. Wright. On the full insurance plan Mr. Wright's rates were .255 cents for one year and .6357 cents for three years, or .04½ cents and .1143 cents lower than the other rates. On the 80 per cent plan his figures were .1912 cents for one year and .4707 for three years, or .0638 cents and .0838 cents lower than the other rates.

Investigations in two Pennsylvania almshouses, and a Chicago church asylum, in which nearly 7,500 dependents were involved, showed that only fifteen has ever been protected by life insurance. Of twenty-four workmen recently drowned, for whose families popular subscriptions were raised through newspapers, but one had life insurance. Concerning this state of facts the *International Lifeman* says: "Thus do the **orphans of the uninsured** become the dependents of the State."

The edition for the present year of **Hayden's Annual Cyclopedia of Insurance** has been published by the Insurance Journal Company, Hartford, Conn. This is the twentieth annual issue. As the cyclopedia has become a standard publication its merits are generally known to the business. In the present edition all the valuable information of interest to underwriters is brought down to date, and by alphabetical arrangement made immediately available to inquirers.

By the consolidation of the Hawkeye insurance company of Des Moines and the Des Moines Fire, **Mr. R. S. Howell**, formerly general agent of the Hawkeye, becomes assistant secretary of the Hawkeye and Des Moines Fire, which makes necessary his removal from Philadelphia to the home office at Des Moines. Beginning with November 1 all business formerly reported to Mr. Howell will be reported to Pettibone & Krouse.

The **Jefferson Fire** announces the resignation of the firm of Montgomery & Funkhouser, of Chicago, as general agents for Illinois, Indiana, Missouri, Nebraska, Iowa and South Dakota. Edward Bliven has been appointed special agent for the territory mentioned, with headquarters at Chicago. Mr. Bliven will also have jurisdiction over Kentucky on account of the resignation of H. G. Hoffman, of Lexington, as general agent.

The **Fire Underwriters' Association** is now disposed to arrange its rules so as to allow those who believe in the contingent commissions plan to join its ranks, and the committee has been instructed to make changes to that effect. A report as to the new plan is expected about November 20, by which time it is hoped to have so modified the rules that the Continental group may be induced to sign the agreement.

The new fire rating law in Texas is **in conflict with the Robertson law** in that State, which exempts companies which have paid 2½ per cent. on gross premiums from other contributions. The sum of $15,000 for the expenses of the board, which the new law assesses pro rata among the companies, must be paid by the companies not exempted under the Robertson law, the Insurance Department holds.

How to decrease expenses in the excepted territory, and increase agents' compensation in the non-excepted territory, is the problem put up to the committee of seven at the last meeting of the **Eastern Union**, according to report. The committee was given power to enlarge itself if necessary. Territory under the jurisdiction of the South Eastern Underwriters' Association is to be handled separately.

Failure to meet a premium note is not equivalent to failure to pay a premium, as to the automatic operation of the policy extension feature, rules the Circuit Court of Cincinnati in a suit brought to recover on a Union Central life insurance policy after the death of the insured. A note given to pay a premium had not been paid, which had, according to the decision, the effect of voiding the policy.

The **Merritt legislative investigating committee** is taking so much time hunting graft among legislators that it may not have time to tackle the insurance companies before its term of office expires in January. It is hinted that if such appears to be the prospect the committee may suggest the appointment of a special commission to examine into the insurance business next summer.

The **Provident Savings Life** announces the appointment of Mr. James F. O'Donnell as manager of its Syracuse, N. Y.. agency. Mr. O'Donnell comes to the Provident Savings from the Prudential, which company he had represented for about fourteen years successfully. Miss C. E. O'Donnell has accepted the position of cashier for the Provident Savings at the Syracuse agency.

The **Society of Insurance Medical Officers**, recently organized in Chicago, is sending out applications for membership to the medical officers of the various companies. The membership is personal, and the information interchanged is also to be regarded as confidential. If the company uses it it must agree to abide by all the regulations of the organization.

The **Pacific Coast Board** has notified the Union, State of Pennsylvania and People's National insurance companies of Philadelphia that they can comply with the general agency rule by appointing as principal representatives general agents in the Northwest who have no connection with the local agency business or with companies not members of the Board.

Prompt action has been taken by Commissioner Von Rosenberg of **Texas** on the suggestion of the National Convention of Insurance Commissioners as to obtaining authority to **investigate insurance promotions**. He will introduce such a measure at the next session of the Texas Legislature.

A satisfactory settlement of the differences between the Northern insurance company and Wood Brothers & Com-

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stock, their former suburban agents, has been **reached by compromise**, and the suit started last year has been discontinued. The company sued to recover alleged balances, and the firm claimed various offsets to the amount alleged.

The **Insurance Company of North America** is seeking closer relations between the directors of the company and its managers in the field, and to that end called in all the department managers this month for a conference with the directors. The results were found so beneficial that it was decided to hold such conferences semi-annually hereafter.

The announcement of the resignation of **Ferris E. Shaw** from connection with the affairs of the United Insurance came simultaneously with the report of the New York Insurance Department on the company, but it is stated that Mr. Shaw had previously arrived at his decision to resign. His new connection will be made public shortly.

One of the **recommendations for new legislation** by Insurance Commissioner von Rosenberg, of Texas, is that the reinsurance provision of the statutes be changed so as to apply to risks in Texas only. He also asks for an actuarial assistant. He compliments the fire insurance companies for cooperation in making the new law effective.

That it is **too late to reopen** the Glens Falls case in Texas is the ruling of the Texas Attorney General. The decision of Commissioner Hawkins, which was sustained by the Supreme Court, that companies must reinsure all risks above 10 per cent. of their capital, whether in or outside the State, or withdraw from Texas, will now stand.

The business of the **Guardian Life of Seattle** is to be liquidated by order of the Washington Insurance Department. The International Life of St. Louis, which reinsured its business, has decided to take over only the desirable risks. Other policyholders will be permitted to withdraw the cash value of their policies as of October 10, 1910.

In commenting upon the fact that a Kansas City insurance agent has from choice abstained from wearing a hat for the past five years the New York *Commercial* remarks that "some insurance brokers hereabouts predict they will not wear shoes this winter unless business picks up." The paper adds: **"These do not advertise,** however."

The **Modern Samaritan insurance company of Duluth** has obtained a temporary order restraining Insurance Commissioner Beedle, of Wisconsin, from revoking its license to do business in that State. The commissioner found a clause in one of the company's policies which he holds does not conform to the law.

The **Southern Life of Texarkana,** Tex., has been changed from mutual to stock, with $100,000 authorized capital and equal surplus. When the stock is sold the company will consolidate with the Southern Life Association and the Texarkana Agency Company. It expects to be writing policies by January 1.

The **General Insurance Agency,** conducted by Carstens & Earles **at Seattle,** has appointed Dixwell Davenport, a well known Pacific Coast insurance man, to be manager of the agency to succeed W. S. Worman, who has resigned to devote his entire time to the secretaryship of the Washington Fire.

The **Los Angeles Times,** whose plant was recently destroyed by dynamite, killing thirty people, had carried liability insurance in the Frankfort, but discontinued the insurance last February on the claim that it had no need for such protection. London Lloyds had a $15,000 policy on the plant.

Niagara Falls, N. Y., the home of the greatest water power in the world, is lacking in water for fire fighting purposes, says the report of the engineers of the National Board of Fire Underwriters. The report also says that building construction is poor and conflagration breeders prevalent.

The **Phœnix Mutual Life** has divided its Georgia territory, and hereafter Charles S. Northern, formerly State general agent, will devote his time to Atlanta and the immediate vicinity, while John S. Cameron will have charge of the balance of the State. He is an underwriter of ability.

The **Germania Life** announces that Dr. Joseph Kucher has retired from the position of resident physician of the company, and that in his place Dr. Wyeth E. Ray, formerly medical director of the Travelers insurance company of Hartford, Conn., has been appointed as medical director.

The **Massachusetts Association of Local Fire Insurance Agents** at its meeting last Saturday indorsed the action of the National Association on all important matters, including the matter of expenses and commissions. C. I. Cornish, of New Bedford, was re-elected president.

A new Massachusetts statute requires that **notice of fire loss** shall be given the insurers in writing by the insured. The standard policy form will not be changed, Insurance Commissioner Hardison having ruled that the imprint on the back of the policy will be sufficient.

The **Roger Williams Fire** has elected F. D. Cross to be secretary, to succeed Arthur O'Leary, resigned. The outstanding business of the company has been reinsured, and a complete reorganization is planned, including a capital of $500,000, with equal surplus.

The positive statement has been published that **Manager Robert Lewis, of the Alliance** of London, will not come to the United States this fall. This is not quite true. His visit has been postponed, but it is not announced that his coming has been definitely given up.

The Louisville *Times*, which is not specially interested in insurance affairs, arises to remark that, "although it is probable that **King Manuel** has never seen a certain well known advertisement, his flight to the Rock of Gibraltar may fairly be described as prudential."

Insurance men have been interested in **Edison's plans for concrete houses** to be poured into steel models because of their fireproof features. The actual construction of such houses has been begun at a suburb of Washington, where a number have been erected.

The managers of the Royal and the Queen are in New York city for a conference with General Manager Alcock, of the Royal, who is here from the home office, going over the plans for the **Royal Indemnity Company,** which will begin business early next year.

Complaint having been made that the Washington Fire **has eighty agents at Seattle,** its home city, where the board

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rules provide for two, the Pacific Coast Board has notified the company that unless it reduces the number of agents to two it will be disconnected.

Arrangements for the **entertainment of the National Convention of Insurance Commissioners** at Chicago next year are already under way. William B. Carlile, Chicago manager of the Mutual Life of New York, has been appointed chairman of the committee.

The **metropolitan force of the Equitable,** comprising about forty general agents, has been moved to the home office building from the quarters at 128 Broadway formerly occupied by them.

The defunct **Town Fire of Otego,** a town mutual, has been liquidated by order of the Supreme Court, at a total cost of less than $100, by the New York Insurance Department. The stockholders were paid 100 cents on the dollar, besides a dividend.

At Liberty, Mass., a woman sued the **Woodmen of the World** for $25,000 damages, claiming that her husband sustained injuries during an initiation which later terminated fatally, but the jury rendered a verdict of no cause for action.

Formal **indorsement of the uniform fraternals bills,** as prepared by the National Convention of Insurance Commissioners, was given by the executive committees of the two national fraternal associations last Saturday at Chicago.

The **California forest fires** of recent date burned over 1,800 acres of private land and 220,000 acres of Government land, destroying private timber valued at $172,000, and Government timber worth $164,000. To fight the fires cost $60,000.

A rumor that the **Maryland Life** was planning to reinsure, merge or change its management since the death of W. H. Blackford has been denied by Douglas H. Thomas, one of its directors. A new president is soon to be chosen.

The organization of a **million dollar life insurance company** is soon to be undertaken by R. M. Messick, present sales manager for the Union Accident Company of Muskogee, Okla., who authorizes the announcement.

The New York Insurance Department has **finished its investigations** of insurance promotions on account of lack of material. All stock selling schemes have been investigated or have moved out of the State.

Helena, Ark., is in danger of the pink slip unless something is done to strengthen the fire fighting equipment of the city. Serious losses there of recent date make some drastic action entirely probable.

Companies doing **tornado business,** having learned by previous exeprience not to write risks within 100 miles of the Gulf of Mexico, were untouched by the recent storms throughout the South.

Another prospective entrant to the American field is the **National Provisional insurance company** of London, which is now trying to buy the Empire Guarantee and Insurance Corporation.

Chicago plate glass rates are on the decline, notwithstanding the recent advance in prices of plate glass. It is believed the present high loss ratio will force an agreement for next year.

The firm of **Starkweather & Shepley** has resigned the United States management of the Sovereign Fire of Canada, and also the agency for Chicago and Cook County.

The certificate of incorporation for the **Great Central Life of Kansas City** was granted Thursday by the Missouri Secretary of State. The capital stock is to be $500,000.

The firm of Crum & Forster has commenced writing for the **Union Fire of Buffalo,** and will be general agents for the company in the United States outside of Buffalo.

The recently consolidated Hawkeye and Des Moines Fire has acquired control of the **Commercial Fire of Des Moines,** which has been doing business in Iowa only.

Two **mill fires** at Stafford, Conn., last week involved complete loss of one mill on which there was $169,982 insurance, and damage to the other estimated at $39,900.

The **fire loss on automobiles in Georgia** is said to have reached $60,000 within the past thirty days. Most of the fires have originated within the machines.

A marine insurance department is to be opened in connection with the New York offices of **Fred S. James & Co.** Cecil P. Stewart is to have charge.

The **National Fire of Hartford** has entered the Colonial Fire Underwriters in West Virginia, where A. O. Myers, of Wheeling, will have charge.

The **Pittsburgh Life and Trust** has established a Nevada department at Reno, Nevada, under the management of George Smith as agency director.

As soon as the **United Firemen's** is under way again its **New England business** will be handled by Wakefield, Morley & Co., of Hartford, Conn.

Two insurance men have been convicted at Louisville, Ky., of participation in **"grave yard" insurance frauds.** Each man was fined $750.

The proposed organization of **a fire prevention association** is being considered by Minnesota and North Dakota fire underwriters today.

Failure to agree upon the identification led to the discharge of the jury in the famous **Kimmel case** at St. Louis on Saturday last.

The **Union of Paris** has been admitted to Maryland, with George E. Taylor & Co. as agents at Baltimore.

The **Southern Home Fire of Charleston,** S. C., is expected to be ready for business by January 1.

The **Actuarial Society of America** is in semi-annual session at Cincinnati this week.

The **North River Fire** of New York has applied for admittance to Arkansas.

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Personal.

AGENCY APPOINTMENTS.

Allemenia of Pittsburgh: Gross R. Scruggs & Co., of Dallas, general agents for Louisiana, Arkansas and Oklahoma.

Calumet Fire: C. D. Cobb & Co., Denver, general agents for Colorado and Wyoming, effective November 1.

Cooper Fire: Fred C. Sammis, special agent for Ohio, Minnesota and Wisconsin, with headquarters at Minneapolis.

Empire City: Gross R. Sruggs & Co., of Dallas, general agents for Texas.

National Fire of Paris: Curtin & Brockie, agents for Philadelphia.

National of Hartford: H. F. Carleridge, formerly with the Shawnee, superintendent of agents in charge of the business reported by the former Shawnee agents.

North River: Gross R. Scruggs & Co., Dallas, general agents for Arkansas.

Providence-Washington: Wallace insurance company, local agents at Kansas City; Carroll Garnett, special agent in Virginia.

Royal Exchange: Harrell & Seymour, Ltd., agents at New Orleans.

Royal: Robert H. Douglas, special agent in the mountain field, with headquarters at Denver, effective November 1.

Security Mutual Life of Binghamton: Willis P. Burbank, general agent at Cleveland, Ohio.

Security of New Haven: W. Perdue Johnson, general agent at the home office, with supervision over the Southern, Southwestern and Pacific Coast departments.

Scottish Union and National: R. Findley, agent at New Orleans.

Mr. William P. Harford, assistant general agent of the Northwestern department of the Ætna of Hartford at Omaha, died on Monday, aged seventy-four years, after a long illness. Mr. Harford had been with the Ætna forty-five years, first as local agent, then as special agent, and finally as assistant general agent. The latter position he had occupied since 1892. The funeral services were at his home at Morrow, Ohio.

President Girardin, of the Chicago Life Underwriters' Association, will have business talks by practical men at the Thanksgiving meeting of the association, and is planning a commissioners' meeting to be addressed by three prominent State insurance officials, and another at which officers of the companies will be the speakers.

Mr. T. P. Herbert, formerly State agent for the Liverpool and London and Globe in Minnesota, died this week while en route to his old home at Piqua, Ohio. He had been in poor health for several years, and was sent to California by the Minnesota members of the Blue Goose.

President Arthur R. Briggs, of the Western States Life insurance company, died October 25 at San Francisco. He had been a prominent figure in California's development since 1876. He was for fifteen years president of the California State Board of Trade.

Mr. Henry J. Powell, of Louisville, president of the National Association of Life Underwriters, will be the guest of honor at the annual Ladies' Night banquet of the Chicago Life Underwriters' Association in January.

Mr. George B. Lamping, of Seattle, general agent for the Northern of New York and the City of New York, has been in New York city for a few days. Mr. Lamping is adjutant general of the State of Washington.

President Paul Morton and Vice President George T. Wilson, of the Equitable, will attend the thirty-fifth anniversary of the Woods general agency at Pittsburgh next week.

President E. E. Rittenhouse and Vice President McMullen, of the Provident Savings Life, are on a business trip to Chicago and other Western and Southern cities.

Mr. F. G. Hoagland, who has been manager for the State Life of Indiana at Kansas City, has been appointed Illinois manager, with headquarters in Chicago.

Mr. George C. Hall, for many years cashier of the Phœnix Southern department under Frank C. Stockdell, died last week at Atlanta.

Mr. Walter B. Finney, of the Illinois Inspection Bureau, has been appointed a special agent of the New York Underwriters in Wisconsin.

Mr. David J. Evans, a director in the Phœnix insurance company, died at his home in Brooklyn Tuesday, October 25, aged eighty years.

Manager L. Sinclair, of the fire insurance department of the North British and Mercantile, is visiting this country.

Mr. J. H. Murphy, former special agent of the Continental in Arizona, is dead at Phœnix, Ariz.

Casualty and Surety Insurance.

Among the **unusual accidents** of the week were the following: Five fires on Wednesday at Schenectady, N. Y., due to the ignition of kerosene oil, resulted in four deaths and one person being seriously burned.

At Nyack, N. Y., a schoolboy chewed a cartridge, which exploded, and the boy was instantly killed by the bullet, which passed upward through his brain.

Striving to move a gun lying in the bottom of the boat out of his boy's way, a Rochester veterinary surgeon was the means of the instant death of the boy.

Thrown from a buggy, a young woman at Union Hill, N. J., plunged into a sewer manhole opening, and was saved from death by a piece of burlap which a workman had failed to remove from the lower end of the shaft.

A St. Louis woman slipped while in the bathtub and broke her neck on the edge of the tub.

Seven men in a Turkish bath at Malden, Mass., were injured when the ceiling of the steam room fell.

A deputy constable at San Antonio, Tex., was shot by the discharge of his pistol, which accidentally dropped from its holster while he was running for shelter from a storm.

A New York newspaper man was killed by a milk wagon as he stepped from a street car on his way home after finishing his work. The driver of the wagon was asleep.

A Honolulu lighthouse keeper fell from a cliff and was devoured by sharks before he could get to shore.

A judge at South Norwalk, Conn., laughed so heartily at a joke told at dinner that he hiccoughed steadily for eight days.

The deaf driver of an auto at Sebring, Ohio, did not hear the approach of a train and four persons were killed.

A well digger at Albuquerque, N. M., was pinioned at the bottom of a well by a cavein and drowned as the water rose in the well.

At Washington, D. C., an expert bicyclist was severely injured in a fall occasioned by his efforts to avoid striking a dog.

Two little sons of a Trenton, N. J., policeman played with their father's revolver, resulting in the death of one of them.

The recently issued Blue Book of the British Government contains statistics regarding the operation of the **Workmen's Compensation Act of 1906**. The London *Insurance Record* says:

These returns furnish materials for a general review of the working of the Compensation Act of 1906 in relation to the main body of the industries of the United Kingdom. In the seven groups of industries named the number of employers included in the returns was 117,391, and the average number of persons employed coming within the provisions of the act was over 6½ millions, of whom over 4½ millions come under the heading "factories." In these industries in the year 1909, compensation was paid in 3,341 cases of death, and in 332,612 cases of disablement. The average payment in case of death was £154, and in case of disablement £5 6s. The annual charge for compensation, taking the seven groups of industries together, averaged 6s. 10d. per person employed. It was lowest in the case of persons employed in factories, being only 3s. 5d. per person; in the case of railways it was 7s. 1d.; it rose to 9s. 2d. in quarries, to 10s. 8d. in shipping, and to 14s. 11d. in constructional works; it was highest in docks, 16s. 8d., and in mines, 20s. 1d. It is noteworthy that in the coal mining industry the charge arising under the act works out at about 0.8d. only per ton of coal raised. The total amount of compensation paid under the act in the seven groups of industries during the year was £2,274,238. Allowing for industries not included in these returns the total amount of compensation paid in all industries can hardly fall short of three millions. These figures include, in addition to accidents, cases of the various industrial diseases (now twenty-four in number) included under the Workmen's Compensation Act. Compensation was paid, as is shown in the table, in thirty-three cases of death from disease, and in 3,313 cases of disablement. The bulk of these cases, 82 per cent. of the total, occurred in the mining industry, and were due mainly to nystagmus, beat hand, beat knee and beat elbow. Of the remainder 497 were cases of lead poisoning.

The total number of cases under the Workmen's Compensation Act taken into court in 1909 was 8,254, but many of these were applications for dealing with allowances that had already been granted.

The capture of the Scranton, Pa., embezzler after a long chase by the **Fidelity and Deposit of Maryland** will be an object lesson to bonded employees who may think a bonding company will not follow up its losses. The Fidelity and Deposit not only paid a $5,000 loss in this case, but spent nearly as much more to capture the man, who fled to England, Austria, New Zealand, San Francisco, New York and Charleston in his endeavors to escape. Mr. Barry, of the New York office of the company, who engineered the chase, has now to settle the priority of two claims for the $200 reward, the

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claimants being a clerk, who forwarded his information by letter, and his superintendent, who telegraphed the next morning. The embezzler faces a possible sentence of ten years at Cherry Hill Penitentiary. He is alleged to have taken $10,000 of funds deposited by foreigners for transmission to their families in the old country.

The action of the **Plate Glass Insurance Association** Thursday in voting to suspend all rules as to rates and commissions opens the field for a plate glass insurance rate war which will continue until those concerned are ready to come to some agreement again. The competition of non-board companies is responsible for the demoralization, and the action was taken to enable the board companies to take care of their business. Brokers of plate glass insurance business will now be put to the trouble of securing sixteen bids for every piece of this business they desire to place. The upward tendency of the prices for plate glass and the downward tendency of premium rates which is expected to follow the action of the association will make it difficult for plate glass insurance companies to show a profit.

The following applications to organize **new national banks** were approved this week: The Hamilton National Bank of Denver, Denver, Col., capital $250,000; First National Bank of Prescott, Prescott, Ark., capital $50,000; Ramsey National Bank, Ramsey, Ill., capital $25,000; First National Bank of Port Norris, N. J., capital $25,000, and West Philadelphia National Bank of Philadelphia, Pa., capital $200,000.

The **Burglary Underwriters' Association** succeeded in settling many difficulties at its meeting this week, and the prospect is now for a closer co-operation than has existed. A readjustment of the commission situation will likely be accomplished soon. Two new members, the Fidelity and Deposit of Baltimore and the Peninsular Casualty of Jacksonville, Fla., were elected.

The resignation of John McGillen as Illinois manager of the **United Surety of Baltimore** takes effect with the end of October. Pere L. Wickes is the new manager for Chicago and adjacent territory for such lines as he is not now handling for the Pennsylvania Casualty. The United will handle the balance of Illinois direct from the home office for the present.

The question of the **liability loss reserves,** when considered in final executive session at the Hotel Plaza last Thursday evening, was referred back to the special committee to be tabulated and submitted to the various companies. The committee was directed to co-operate with the reserve committee of the National Convention of Insurance Commissioners.

The **Maryland Casualty** announces that James H. Stone, third vice president and auditor, has been appointed manager of the fidelity and surety department, with entire charge of all business in these departments. He has been succeeded as auditor by Milton R. Andrews, for several years payroll and agency auditor at the New York office.

The semi-annual meeting of the **Detroit Conference** will be held at the Hotel Pontchartrain, Chicago, December 15-16. It is expected the new standard policy will be adopted at this session. By the election of the Interstate Life and Accident of Chattanooga the membership of the Detroit Conference has been increased to fifty-eight.

The first formal meeting of the **National Employers' Liability Commission,** of which United States Senator William Warner, of Missouri, has been elected temporary chairman, will be held in Washington, D. C., December 8. The committee is empowered to draft a bill and submit it to Congress at the next session.

In keeping with the general movement toward the enlargement of the business the **Gresham Fire and Accident Insurance Society** has been organized by those interested in the Gresham Life Assurance Society of London, one of the oldest life insurance companies in the United Kingdom.

The **Boston Casualty,** recently changed from mutual to a stock basis, has been examined and credited with total assets of $4,174.06. The reorganized company will have a capital stock of $100,000 and substantial surplus. The company's new "1915 policy" contains several new features.

The **accident department of the Travelers** has under way a contest for new paid-for accident and health policies, running from October 3 to the end of the year. Indianapolis has challenged Illinois outside of Chicago, and St. Louis has challenged Chicago for the contest.

The **United States Casualty Company** has won a suit involving the recovery of a large amount in back premiums from a concern which did not report the salaries of its officers and employees as part of its payroll. The contract extends back a period of five years.

A number of the **stockholders** of the Columbus Casualty Company of Ohio, which is being liquidated, **have brought suit** against the officers and directors to enforce claims of personal liability for alleged wasting of the company's assets.

Reports from the **Surety Association of America** of apparently unauthorized rate reductions and other violations of its rules on the part of some of its members indicate that there is some ground for the fear that its stability is in danger.

The **Columbia Casualty of Lexington, Ky.,** has organized by the election of B. M. Arnett as president, Frank Kennedy as secretary and a number of prominent citizens of that locality as directors.

It is stated that the **Railway Passengers Assurance Company** of London, recently purchased by the North British and Mercantile, is soon to be entered in the United States.

The **Tacoma Taxicab Company** is having trouble to place its liability lines. Its offer of $200 per vehicle was not taken by the insurance companies.

The **Metropolitan Casualty Company** has announced its withdrawal from the movement to secure the elimination of accident policy "frills."

The **New England Casualty** has applied for admission to Connecticut, and will shortly make application in Vermont and New Hampshire.

The directors of the **National Surety** are to vote November 9 on a proposition to increase the capital from $750,000 to $1,500,000.

The **Indemnity Life and Accident** of Minneapolis has been licensed in Missouri for accident and health lines.

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The **Great Eastern Casualty** has applied for admittance to California, and will enter other Western States.

An **advance in rates on bonds** for Federal employees in Alaska is announced by the National Surety.

The **Ocean Accident and Guarantee** is seeking admission to California.

Official Reports.

District of Columbia Insurance Report.

No successor has yet been appointed to the late Superintendent Drake, and the report of the insurance department of the District of Columbia has therefore been completed and issued by his deputy, Daniel Curry, who is the acting superintendent. Mr. Curry pays a tribute to his lamented former chief, speaking of him as "a man of sterling integrity, who served the District faithfully and intelligently." The following is an extract from the report:

The insurance laws of the District of Columbia are very inadequate and in many cases ambiguous. Some of the most essential requirements in the organization and operation of insurance companies are unprovided for. The law as it stands does not provide for a maximum or minimum capital stock for insurance companies, with the single exception of fire insurance companies, and there is no law definitely prescribing what the reserve liability of any insurance company shall be. These are conditions that probably do not exist in any other jurisdiction in the country where attempt has been made to provide for an insurance code.

The law regulating assessment companies is unsatisfactory and has caused litigation between the department and some of the companies transacting that kind of business, in consequence of which a number of companies are doing business without licenses pending final adjudication in a suit in equity.

In view of the situation I would respectfully recommend that Sections 648 and 653 of the Code be amended so as to cover these defects. I make this recommendation, mindful of the fact that the Senate has appointed a committee to prepare a code of insurance laws covering the entire subject of insurance in the District of Columbia. These amendments are urgently needed to cover an extreme emergency and a bill should be presented to Congress as early as possible.

Miscellany.

Standing Committees of the National Convention of Insurance Commissioners.

President Button, of the National Convention of Insurance Commissioners, announces the appointment of the following standing committees for the ensuing year:

CREDENTIALS—Charles C. Gray, chairman, Rhode Island; Chas. H. Maull, Delaware; Vivian M. Lewis, New Jersey; J. Eggers, Nevada; Willard Done, Utah; John R. Jobe, Arkansas; Sam A. Kozer, Oregon.

LAWS AND LEGISLATION—Charles C. Lemert, chairman, Ohio; Eugene J. McGivney, Louisiana; James V. Barry, Michigan; Frank H. Hardison, Massachusetts; William H. Hotchkiss, New York; Benjamin F. Crouse, Maryland; Geo. H. Adams, New Hampshire; Samuel W. McCulloch, Pennsylvania; John A. Hartigan, Minnesota.

EXAMINATIONS—James R. Young, chairman, North Carolina; James V. Barry, Michigan; Theodore H. Macdonald, Connecticut; William H. Hotchkiss, New York; Fred W. Potter, Illinois; John A. Hartigan, Minnescota; Fitz Hugh McMaster, South Carolina.

RESERVES OTHER THAN LIFE—Frank H. Hardison, chairman, Massachusetts; Fred W. Potter, Illinois; Frank Blake, Missouri; John L. Bleakly, Iowa; Beecher Putnam, Maine; John S. Darst, West Virginia; Theodore H. Macdonald, Connecticut; Samuel W. McCulloch, Pennsylvania; William H. Hotchkiss, New York.

FRATERNAL INSURANCE—Reau E. Folk, chairman, Tennessee; Frank H. Hardison, Massachusetts; James R. Young, North Carolina; Charles C. Lemert, Ohio; Fred W. Potter, Illinois; T. M. Henry, Mississippi; William H. Hotchkiss, New York; Milas Lasater, Oklahoma; John L. Bleakly, Iowa.

EXPENSES OF FIRE INSURANCE COMPANIES—James V. Barry, chairman, Michigan; Eugene J. McGivney, Louisiana; Charles C. Lemert, Ohio; Theo. H. Macdonald, Connecticut; James R. Young, North Carolina; John A. Hartigan, Minnesota; E. C. Cooper, California.

FIDELITY AND SURETY COMPANIES—Benjamin F. Crouse, chairman, Maryland; Samuel W. McCulloch, Pennsylvania; H. R. Cunningham, Montana; Silas R. Barton, Nebraska; Frank Blake, Missouri; Fred. C. Von Rosenberg, Texas; John S. Darst, West Virginia; Cyrus B. Brown, Alabama; John C. Billheimer, Indiana.

RATES OF MORTALITY AND INTEREST—Fred. W. Potter, chairman, Illinois; Wm. A. Wright, Georgia; Geo. E. Beedle, Wisconsin; O. S. Basford, South Dakota; Cyrus B. Brown, Alabama; Daniel Curry, District of Columbia; Willard Done, Utah.

ASSETS OF INSURANCE COMPANIES—Geo. H. Adams, chairman, New Hampshire; H. R. Cunningham, Montana; George U. Young, Arizona; E. C. Cooper, North Dakota; W. V. Knott, Florida; J. H. Schiveley, Washington; T. M. Henry, Mississippi; Charles W. Bell, Kentucky; Guy W. Bailey, Vermont.

UNAUTHORIZED INSURANCE—Fitz Hugh McMaster, chairman, South Carolina; James R. Young, North Carolina; Jacobo Chavez, New Mexico; E. C. Cooper, California; T. M. Henry, Mississippi; Frank Blake, Missouri; Charles H. Maull, Delaware; Milas Lasater, Oklahoma; O. S. Basford, South Dakota.

TAXATION—William L. Clayton, chairman, Colorado; Vivian M. Lewis, New Jersey; Silas R. Barton, Nebraska; Beecher Putnam, Maine; Daniel Curry, District of Columbia; John C. Billheimer, Indiana; Charles W. Bell, Kentucky; Jacob Eggers, Nevada; John S. Darst, West Virginia.

VALUATION OF SECURITIES—William H. Hotchkiss, chairman, New York; Frank Hardison, Massachusetts; Charles C. Gray, Rhode Island; Joseph Button, president.

MISCELLANEOUS—Eugene J. McGivney, chairman, Louisiana; Leroy Grant, Wyoming; William L. Clayton, Colorado; C. D. Goaslind, Idaho; J. R. Jobe, Arkansas; Wm. V. Knott, Florida; Fred. C. Von Rosenberg, Texas; Jacobo Chavez, New Mexico; Sam A. Kozer, Oregon.

BLANKS—Henry D. Appleton, chairman, New York; James E. Green, Maryland; M. O. Rowland, Michigan; S. E. Stillwell, Ohio; Isaac Davenport, Virginia; J. E. Lang, Maine; H. Pierson Hammond, Connecticut; George Graham, Jr., Illinois; Felix Hebert, Rhode Island; L. A. Anderson, Wisconsin; L. G. Hodgkins, Massachusetts.

Warning to Outside Life Insurance Companies and Agents Not to Insure Lives of Wisconsin Citizens.

The Insurance Commissioner of Wisconsin has issued the following warning notice to "all insurance companies and agents" which includes those not authorized to transact business in the State:

Numerous complaints of the solicitation of unauthorized insurance by mail led to the submission by this department to the Attorney General of the following questions:

An agent residing outside of this State, of a life insurance company not licensed to do business in this State, transmits by mail to a citizen and resident of this State a letter soliciting him to take out a policy of life insurance in such unauthorized company. The person so soliciting makes application for a policy and goes outside of the State for his medical examination. Afterward, the policy is mailed from out the State to the insured at his place of residence in this State, and his check is returned to the agent in payment of the premium.

Is the letter soliciting the taking of the life insurance a violation by the agent of the company, or both, of sections 1976 and 1978, and other sections of the statutes, and if so, what proceedings can be had against such agent or company?

In reply the Attorney General calls attention to the following statutes:

Section 1976 provides that no person shall act or aid in any manner in transacting the business of or with any insurance corporation of any kind in placing risks or in collecting any premiums or assessments or effecting any business therein without a certificate of authority showing that the corporation is licensed to do business in this State.

Section 1978 provides that no corporation or individual shall do any business of insurance of any kind in this State or with any resident of this State except according to the conditions and restrictions of these statutes.

Section 1947—5 provides that:

No life insurance company whatever shall do any business in this State, nor shall any person act as agent or otherwise within this State in receiving or procuring applications for life insurance or in any manner aid in transact-

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ing such business for any such corporation until it shall have first procured a license, etc.

He then calls attention to the language of Mr. Justice Winslow in the case of Rose vs. Kimberley, 89 Wis. 545, construing similar language in Section 1915:

The object of this statute is so plain that it cannot be mistaken. It is to protect our citizens against irresponsible and worthless foreign companies of the very kind which we have now before us. The evil to be corrected is not the writing of a policy by an unlicensed company within this State alone, but the writing of such a policy at all. Bearing in mind the object of the statute and the evil to be corrected, it is very plain that the object will be largely defeated, and the evil will flourish as before if it be held that companies without license can establish their agencies just outside of the State line, and conduct their business by mail.

The language of Mr. Justice Barnes in State vs. Columbian National Life Insurance Company, 141 Wis. 557, is also quoted, namely:

In my opinion the means or methods adopted for soliciting insurance is of transacting the business are immaterial. Such acts may be and frequently are done in various other ways than by personal solicitation or transaction, as by 'phone, by telegraph or by letter. Section 1978 prohibits the doing of insurance of any kind "in this State or with any resident of this State," except by duly licensed companies and agents.

He then cites U. S. vs. Thayer, 209 U. S. 39, and other Federal cases, and Rose vs. State (Ga.), 62 S. E. 123, showing that a State may punish for a crime consummated through the mails and that in case of solicitation by mail the offense is committed at the time and place of the delivery of the letters. The Attorney General then adds:

"In my opinion the acts enumerated in your statement of facts, upon the receipt of the letter in this State, constitute a violation of Section 1978 and Section 1947—5, by both the offending company and its agents engaged in such acts, the penalty for such offenses being that prescribed by Section 19550—5 which is enforcible through criminal proceedings."

It will be apparent from the foregoing that all solicitation or attempts by any unauthorized insurance company, whether life, fire or casualty, to do any business in this State by mail or otherwise is unlawful and may be punished under the statutes mentioned.

Since the foregoing opinion was rendered and given to the public through the press, complaints of the solicitation of unauthorized insurance have been renewed.

It is our belief that the law on this subject may not be fully understood and that companies and agents, who might innocently, would not wilfully violate the law. For this reason special attention is directed to this opinion and its effect. Your co-operation is requested for doing away with the transaction of unauthorized insurance, with the assurance that the department will make every effort to enforce the law.

GEO. E. BEEDLE, Commissioner of Insurance.

Additional Protection Against a Great Conflagration on Manhattan Island—The Fire Wall of the Pennsylvania Railroad.

The Pennsylvania Railroad Company has made public the following information concerning its fire protection system on Manhattan Island:

A fire wall stretching across Manhattan Island from Ninth to Fifth avenue has been completed by the construction of the Pennsylvania Station and adjacent buildings. The full fire protection system of the station has just been put into operation, and insurance engineers say a conflagration such as was experienced in Baltimore and San Francisco is now an impossibility in Manhattan.

Some idea of the extent of the modern fire protection system in the Pennsylvania Station may be had from the fact that the area covered is something over twenty-eight acres, with three levels below the main floor, the lowest being thirty-six feet below the street line. Approximately three miles of piping, weighing four hundred and twenty-five tons, were required, while there are in all one hundred and seventeen hose connections, twenty-four roof hydrants and twelve flush hydrants.

A study of the fire protection arrangements of the new Pennsylvania Station shows that this system received the same care and attention that has characterized the entire undertaking. While upon first consideration it may be seen that the requirements for fire protection for a building of the type and character of the station do not call for any elaborate system, the nature of the business of a transportation company requires that more than ordinary precaution be taken to safeguard its operation against interruption.

It was necessary in providing for fire protection at the new station, to secure a continuous and uninterrupted supply of water that would meet all the demands for domestic service and at the same time insure a surplus sufficient to maintain not less than twelve standard fire streams or 3,000 gallons per minute. With due regard for variation and uncertainties in the city supply, a careful study was made of the city's distribution system for the station district, and it was found that by tapping the street mains in Seventh and Ninth avenues, 20 inch and 24 inch, respectively, and cross connecting the supply with a private 12 inch main in Thirty-first street between the two avenues, the possibility of serious failure would be reduced to a minimum; likewise there would be no appreciable effect on the station in the event of heavy drafting by city fire steamers on one or the other of the two streets. In addition to the connection with the private 12 inch main in Thirty-first street there is a 6 inch connection with a 12 inch public main. * *

In the track level area there are twenty-three hose connections on train platforms and twelve fire hydrants in the yard west of the station building. These latter hydrants are of the flush type, as operating conditions in the yard precluded the use of the ordinary standard fire hydrant; these hydrants are covered by metal hydrant traps. The hose equipment for these hydrants will be stowed in convenient form for quick handling in various yard buildings, and the space between the tracks is not sufficient to permit of placing the hose over the hydrants. For the hose connections on the platforms one hundred feet of 2½ inch linen hose is provided at each connection and for the roof hydrants one hundred feet of multiple woven cotton rubber lined hose which is stowed in two centrally located hose houses.

Hand chemical extinguishers have been provided in the corridors of the upper floors and at other points throughout the station, comprising in all seventy-five 3 gallon extinguishers. In addition there will be thirty-three extinguishers of the non-freezing type placed in column recesses on the track level floor, where freezing conditions may exist.

For the station building there will be in addition to the equipment specified a 500 feet reel hose carriage and a 60 gallon chemical engine. The total equipment of 2½ inch fire hose for the station exceeds 15,000 feet. * *

The fire brigade organization comprises twenty-five men, divided into three companies, viz.: hose wagon company, chemical engine company, and standpipe company. In addition, five men, who are expected to report at all fires in advance of the regular companies, are especially designated for hand fire extinguishers. Special provision is made for plumbers and electricians to report at all fires, being subject to the orders of the fire marshal, and certain of the elevator lifts are designated for transporting the apparatus when required on upper floors.

The standpipe service company is a distinctive feature of the fire brigade organization. The men of this company respond to all alarms and have exclusive control of the standpipe service and in handling the hose equipment in track level area for use on flush hydrants.

A unique feature of the alarm system for the station is found in the tunnel alarms for transmitting signals indicating fire and for cutting off current to the power rails. There are one hundred and sixteen boxes on this system, divided into six circuits, each box having two levers, one marked "Power," and the other "Fire," the "Power" lever automatically cutting off all power current in the section directly affected. This signal consists of two rounds of the box number. The fire lever also automatically cuts off the power current and is indicated by four rounds of the box number. All alarms are recorded on a 6 inch gong in the main power house at Long Island City, and on gongs in each of the substations and the station service plant. There are also a number of "punch" registers and tap bells in the signal cabins and train dispatcher's office. This system is not directly connected with the gongs or indicating apparatus of the station fire alarm system.

The watchmen's service is recorded on two portable watchman's clocks from thirty-eight stations, and provides for hourly tours. At the present time there are two watchmen covering this service.

The fire protection system of the Pennsylvania Station embodies every modern contrivance for fire fighting. The system was installed after exhaustive inquiry as to the needs in Manhattan, and it is thought by insurance engineers to render impossible any fire of consequence in the station area.

HANOVER

Agencies in all the Principal Places in the United States.

Fire Insurance Company OF NEW YORK.

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PHOENIX

ASSURANCE COMPANY, LIMITED, OF LONDON

(ESTABLISHED 1782)

LOSSES PAID, OVER - - - $200,000,000

HEAD OFFICE FOR THE UNITED STATES

47 CEDAR STREET, NEW YORK CITY

A. D. IRVING, JR., SECRETARY — LOUIS P. BAYARD, PERCIVAL BERESFORD — JOINT MANAGERS

HARTFORD LIFE INSURANCE COMPANY

CHARTERED FORTY-THREE YEARS

GEO. E. KEENEY, President. THOMAS F. LAWRENCE, Secretary

1909 Policy Contracts are Participating and Non-Participating. Annual or Deferred Dividends—Rates revised and made lower. Values based upon the FULL RESERVE. Desirable Contracts for Producers. Address—

Second Vice-President, Home Office, HARTFORD, CONN.

1825. THE 1910.

Pennsylvania Fire Insurance Company

OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,349,097.67
Surplus	2,233,426.43
Total January 1, 1910	$7,332,524.10

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

INCORPORATED 1851.

Berkshire Life Insurance Company

OF PITTSFIELD, MASS.

All Policies issued by the Company are subject to the Massachusetts Non Forfeiture Law.

JAMES W. HULL, President.
W. D. WYMAN, Vice-Pres. and Treasurer. J. M. LEE, Actuary.
THEO. L. ALLEN, Sec. ROBT. H. DAVENPORT, Asst. Sec.

Agencies in all the principal cities of the United States.

BRITISH AMERICA ASSURANCE CO.,

INCORPORATED 1833.

Head Office: TORONTO, CANADA.

UNITED STATES BRANCH.

JANUARY 1, 1910

Assets	$1,556,740.94
Liabilities	902,438.61
Net Surplus	$654,302.33

HON. GEO. A. COX, President. W. R. BROCK and JOHN HOSKIN, K.C., LL.D. Vice Presidents.

W. B. MEIKLE, General Manager.

Equitable Accident Company

161 DEVONSHIRE STREET, BOSTON, MASS.

"THE COMPANY THAT WORKS WITH YOU"

CAPITAL, - - - - - - - - - - $100,000.00
SURPLUS TO POLICYHOLDERS, - 182,372.07

Accident and Health Insurance
Commercial and Industrial Departments
Attractive Policy Forms—Liberal Commissions

WM. H. JONES, General Manager

QUEEN

Ins. Co. of America.

NEW YORK

To Agents and Brokers!

Are you familiar enough with the new Liability Laws to advise and protect your clients' interests? We will gladly send any information on request.

The Philadelphia Casualty Company

WALTER LE MAR TALBOT, President

Personal Accident, Health, Liability, Automobile, Plate Glass and Credit Insurance.

The Columbian National Life Insurance Co. of Boston, Mass.

LIFE, ACCIDENT AND HEALTH INSURANCE

The Only Massachusetts Non-participating Company.

The New Columbian Policies are Unexcelled in Clearness and Liberality. Good Contracts and Territory for Good Producers.

ARTHUR E. CHILDS, President

COMMERCIAL UNION ASSURANCE CO.

LIMITED,

OF LONDON.

OFFICE:

Cor. Pine & William Sts., New York.

Liability — Accident
Boiler — Disability
Plate Glass — Fly Wheel
Automobile Liability and Defence
Employers' Compensation
Insurance

Casualty Company of America

HOME OFFICE KUHN-LOEB BUILDING 82-84 WILLIAM STREET NEW YORK

THE EMPIRE STATE SURETY COMPANY

CAPITAL $500,000

THE

EMPIRE

STANDS FOR

Aggressiveness

Prompt Payment of Losses

and

Clean Methods

AGENTS WANTED who are unattached and CAN PRODUCE BUSINESS

Address AGENCY DEPARTMENT

THE EMPIRE STATE SURETY CO.

84 William St., NEW YORK.

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HOME OFFICE OF THE

Metropolitan Life Insurance Co.

INCORPORATED BY THE STATE OF NEW YORK

The Company OF the People, BY the People, FOR the People.

PROOF OF PUBLIC CONFIDENCE

This company has more premium paying business in force in the United States than any other Company, and for each of the last 16 years has had more New Insurances accepted and issued in America than any other Company.

The number of Policies in force is greater than that of any other Company in America, greater than all the Regular Life Insurance Companies put together (less one), and can only be appreciated by comparison. It is a greater number than the Combined Population of Greater New York, Chicago, Philadelphia, Boston, St. Louis, Cleveland, Cincinnati, San Francisco, Pittsburg, Baltimore, New Orleans and Buffalo.

ASSETS.

Municipal and R. R. Bonds and Stocks	$123,346,161.39
Bonds and Mortgages	105,183,172.02
Real Estate	23,311,215.72
Demand Loans on Collateral	172,930.00
Cash	5,420,643.42
Loans to Policyholders	11,193,245.61
Premiums, deferred and in course of collection (net)	5,190,288.45
Accrued Interest, Rents, etc.	3,290,211.85
Total	$277,107,868.46

LIABILITIES.

Dividends payable in 1910	$6,938,793.66
Reinsurance Fund and Special Reserves	237,213,384.00
All other Liabilities	3,053,470.82
Capital and Surplus	29,902,219.98
Total	$277,107,868.46

Largest Office Building in the World—Madison Avenue, Fourth Avenue, 23d Street and 24th Street, New York City.

SIGNIFICANT FACTS

This Company's Policy-claims paid in 1909 averaged in number one for every 62 seconds of each business day of 8 hours each and in amount $140.81 a minute the year through.

THE DAILY AVERAGE OF THE COMPANY'S BUSINESS DURING 1909.

456 per day in number of Claims Paid.

6,585 per day in number of Policies placed and paid for.

$1,468,755 per day in New Insurance placed and paid for.

$183,408.75 per day in Payments to Policyholders and addition to Reserve.

$182,172.73 per day in Increase of Assets.

OFFICERS

JOHN R. HEGEMAN.....President
HALEY FISKE.....Vice President
GEORGE H. GASTON....2d Vice President
GEORGE B. WOODWARD..3d Vice President
FRANK O. AYRES.....4th Vice President
F. F. TAYLOR.....5th Vice President
JAMES M. CRAIG.....Actuary
STEWART L. WOODFORD.....Counsel
WM. J. TULLY.....General Solicitor
FREDERICK H. ECKER.....Treasurer
WALTER STABLER.....Comptroller
JAMES S. ROBERTS.....Secretary
JOHN R. HEGEMAN, Jr....Asst. Secretary
J. J. THOMPSON.....Assistant Secretary
T. R. RICHARDSON.....Assistant Secretary
GEORGE B. SCOTT.....Assistant Secretary
FREDERICK A. BETTS...Assistant Secretary
GEORGE C. PENHALLOW...Asst. Secretary
THOMAS H. WILLARD, M. D..Med. Direct.
AUGUSTUS S. KNIGHT, M. D..Med. Direct.
W. S. MANNERS, M. D..Asst. Med. Direct.
E. M. HOLDEN, M. D....Asst. Med. Direct.
D. M. GEDGE, M. D.....Asst. Med. Direct.

I. J. CAHEN.....Manager Ordinary Dept.
LEE K. FRANKEL, Ph. D..Mgr. Indus'l Dept.
J. BERGEN OGDEN, M. D..Asst. Med. Direct.
JACOB CHADEAYNE..Mgr. Interm'd'e Branch

Paid to Policyholders since Organization, plus the Amount now invested for their Security, $537,228,523.83.
Number of Policies in Force, 10,621,679. Amount of Outstanding Insurance, $2,041,951,700.00.

Prosperously Busy!

Our agencies are steadily increasing this year's lead over the figures of our high record in 1909.

Our agents are prosperously busy With Business Life Insurance and our unequaled Continuous Monthly Income policy they are reaching and satisfying the public and liberally rewarding themselves.

Inquiries invited from *delivering* producers.

GEORGE D. LANG, Superintendent of Agencies

MASSACHUSETTS MUTUAL LIFE INSURANCE CO.

SPRINGFIELD, MASSACHUSETTS

INCORPORATED 1851

National Life Insurance Co.

MONTPELIER, VERMONT.

Established in 1850. Operating in 36 States.

JOSEPH A. DeBOER. President.

FRED A. HOWLAND, Vice-Prest. OSMAN D. CLARK, Secretary.
JAMES B. ESTEE, 2d Vice-Prest. H. M. CUTLER, Treasurer.
A. B. BISBEE, Med. Director. C. E. MOULTON, Actuary.

This Company held January 1, 1910, and gained during the past decade:

ASSETS,	$47,490,998.98	-	Gain, 167%
LIABILITIES,	41,661,130.12	-	Gain, 162%
SURPLUS,	5,829,868.86	-	Gain, 211%
INSURANCE,	161,428,115.00	-	Gain, 79%

ABSOLUTE SECURITY AND ECONOMY OF MANAGEMENT

J. G. WALKER, President.
T. WM. PEMBERTON, 1st Vice-Pres. W. L. T. ROGERSON, 2nd Vice-Pres.
E. D. HARRIS, Secretary.

Organized 1871.

Life Insurance Company of Virginia

HOME OFFICE, RICHMOND, VIRGINIA

The OLDEST Southern Life Insurance Company.
The LARGEST AND STRONGEST Southern Life Insurance Co.
The PIONEER Southern Industrial Life Insurance Company.

Its policies are clear and definite in their provisions, and their values are absolutely guaranteed.

Assets, December 31, 1909	$5,872,691.99
Liabilities, December 31, 1909	4,812,405.82
Insurance in force December 31, 1909	68,337,613.00
Total payments to policyholders since organization	9,820,412.49

The Monthly Income Policy

appeals to prospects who KNOW Life Insurance. Investigate this policy. One of The Prudential's many attractive contracts.

Write us today about an agency.

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA.

Incorporated as a Stock Company by the State of New Jersey.

JOHN F. DRYDEN, President Home Office, Newark, N. J.

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NATIONAL POLICIES SATISFY THE PUBLIC

NATIONAL CONTRACTS SATISFY THE AGENT

Territory open. Write for terms.

THE CONNECTICUT MUTUAL

That means the best life insurance to have and the best to sell. If you can sell life insurance, you can sell more of it for the CONNECTICUT MUTUAL.

Men of character and ability are invited to apply.

CONNECTICUT MUTUAL LIFE INS. CO., Hartford, Conn.

Please mention this paper

1860 50TH YEAR 1910

HOME LIFE INSURANCE COMPANY

OF NEW YORK.

GEORGE E. IDE, President

ASSETS, $23,626,018.63 LIABILITIES, $21,858,691.52 (Including Deferred Dividend Fund)

Dividend-Endowment Fund (Deferred Dividends)	$2,119,044.00
Net Surplus	1,767,327.11
Insurance in Force	92,532,583.00

The Record for 1909 shows the following GAINS:

Insurance in Force	$4,164,239.00
Assets	1,017,117.00
Deferred Dividend Reserve	148,581.00
Contingency Reserve (Surplus)	655,149.17

OLDEST IN AMERICA STRONGEST IN THE WORLD

The Mutual Life

Insurance Company of New York

Mutual Life Agents Make Most Money Because Mutual Life Policies Sell Most Freely

For terms to producing agents address:

GEORGE T. DEXTER, 2d Vice-President,

34 Nassau Street, New York, N. Y.

(FIRE)

German American

Insurance Company

New York

STATEMENT JANUARY 1, 1910

CAPITAL

$1,500,000

RESERVE FOR ALL OTHER LIABILITIES

8,222,018

NET SURPLUS

6,440,211

ASSETS

16,162,229

GERMANIA

FIRE INSURANCE COMPANY

Organized 1859 NEW YORK

Cash Capital	$1,000,000.00
Assets	$6,568,229.14
Net Surplus	$2,008,419.02
Surplus for Policy Holders	$2,008,419.02

HEAD OFFICE: Cor. William and Cedar Streets

The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1910	$2,470,509.30
Total Liabilities, except Capital	1,920,837.24
Capital	500,000.00
Surplus to Policyholders	1,549,672.06

F. F. BUELL, Special Agent, Troy, N. Y.

Provident Life and Trust Co.

OF PHILADELPHIA.

The Provident has been particularly distinguished for the development of a highly trained force of agents. The systematic instruction which its agents receive has resulted in their being recognized as representatives of exceptional knowledge of the business and of marked efficiency.

Insurance Company of North America

FOUNDED 1792

232 Walnut Street, Philadelphia

Assets, January 1, 1909 ..... $12,014,062.63

Liabilities—Reserved for Reinsurance and all other claims	$7,263,156.97	
Capital Stock	3,000,000.00	
Surplus over all Liabilities	1,750,905.66	$12,014,062.63

Agents in all the principal towns and cities.

EUGENE L. ELLISON, President.

T. HOUARD WRIGHT, Secretary. HENRY W. FARNUM, Assistant Secretary.

BENJAMIN RUSH, Second Vice President. JOHN O. PLATT, Assistant Secretary.

Surplus to policyholders, $4,750,905.66.

Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

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London Assurance Corporation,

CHARTERED A. D. 1720.

Surplus in United States *January 1, 1907,* - -	$650,599.91
Surplus in United States *January 1, 1908,* - -	618,474.17
Surplus in United States *January 1, 1909,* - -	649,969.70

CHAS. LYMAN CASE, Manager.

84 William Street. NEW YORK

SAFETY FUND INSURANCE.

NIAGARA

Fire Insurance Company OF NEW YORK.

OFFICE, 135 & 137 BROADWAY.

Company's Office Building.

Surety Bonds and Undertakings

are furnished promptly throughout the United States, Canada and Mexico, by the

American Surety Company

OF NEW YORK

Home Office, 100 Broadway

This Company confines its business exclusively to the furnishing of suretyship bonds and undertakings.

Its experience extends over a quarter of a century.

Its Financial Strength is greater, its Qualifying Power under Federal and State Regulations is larger, and its Agency Organization is more extensive than that of any other Surety Company.

Bonds issued for Employees, Administrators, Guardians, and in Judicial Proceedings.

STATEMENT DECEMBER 31, 1909.

Resources (including Capital, $2,500,000)	$7,612,718.73
Liabilities (including Reserve, $1,330,367.97)	1,927,36819

1894 1910

The State Life Insurance Company

Indianapolis

UNEQUALED IN SOLID ACHIEVEMENT

Assets Dec. 31, 1909, $8,580,830.58. Surplus 1909, $1,174,606.34

GROWTH UNPARALLELED

	Gain in Admitted Assets	Gain in Surplus
1907	$1,001,409.00	$27,775.00
1908	1,023,700.00	158,161.00
1909	1,201,977.14	314,044.74

Eight Million Dollars in Securities Deposited With the State of Indiana.

This is $848,861 more than is required by law.

MOST ATTRACTIVE AGENCY CONTRACTS

Our Own Idea.

Every Contract Direct With the Company.

Scores of Good Men Have Joined the State Life Field Force since January 1, 1910.

On all Agency matters address: CHAS. F. COFFIN, 2d Vice-Pres., 1231 State Life Building

The Continental (Fire) Insurance Company

OF NEW YORK

This Company stands for conservation of the American agency system.

It opposes introduction of European methods hurtful to that system.

It is in favor of profit sharing commissions.

In brief, it is aligned with the agent.

HOME OFFICE: 46 Cedar Street NEW YORK

WESTERN OFFICE: 280 La Salle Street CHICAGO

HENRY EVANS, President

Incorporated 1855

THE

JEFFERSON FIRE INSURANCE COMPANY OF PHILADELPHIA

In Business Fifty-four Years. Surplus to Policy-Holders, Over $450,000.

AGENCY DEPARTMENT, 425 WALNUT STREET, PHILADELPHIA.

AGENTS WANTED AT ALL DESIRABLE POINTS.

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V 7 1910

The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1860.

VOL. LXXXIII. NEW YORK, SATURDAY, NOVEMBER 5, 1910. No. 19.

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Checks and money orders should be made payable to the order of THE WEEKLY UNDERWRITER.

Entered at the New York, N. Y., Post Office as second class matter.

CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

STATE insurance supervision will lose one of its most creditable exponents by the resignation of Commissioner James Victor Barry of Michigan. During the nine years he has been in office he has been diligent in serving his people, and at the same time promoting and conserving the best interests of insurance, and at all times has held a leading position of influence among the State insurance commissioners. Mr. Barry will on November 15 assume the duties of manager for the Board of Casualty and Surety Underwriters, with headquarters at Detroit. These duties are analogous, it is understood, to those of the manager for the Association of Life Insurance Presidents, and embrace the supervisory care of the interests of the associated companies as a whole, and particularly in the matter of legislation. To this work Mr. Barry brings tact, resourcefulness, industry and wide influence. How well he understands the wants of the organization was shown in his address before the board on its "mission" two years ago. The board is to be congratulated on its acquisition.

THERE was enough of the spirit of opposition—although it failed—in the last session of the New York Legislature to the fire insurance business as at present administered to make certain that there will be a repetition of it in 1911. While this opposition took the form of proposed investigation before, it is quite likely to take that of rate supervision next. Indeed, we hear already of a plan in process of incubation in the mind of a prospective Assemblyman to put the New York Fire Insurance Exchange under State control as to rates. It contemplates the establishment of a branch of the State Insurance Department in the metropolis, with power to review the rulings of the Exchange when they give dissatisfaction to the insured or the broker. This is a pretty extensive scheme, and it would practically revolutionize the methods of doing business here. Fire underwriters will only be reasonable if they keep it in mind as a possibility. No doubt the forthcoming investigation of the fire insurance business in New York by the legislative committee will have a bearing on all drifting projects to put shackles on the Fire Insurance Exchange.

LIFE insurance companies, even of the industrial class, are not disposed to cultivate business among the negro population of the South, which numbers nearly 8,000,000, owing to the racial characteristics of shiftlessness and instability, and indeed it can be said that the negroes do not themselves take to life insurance except the fraternal or beneficiary society kind. All over the South the sick benefit and burial associations exist, but they are mostly neighborhood affairs, in which the fees and returns are small. There are occasionally larger organizations which do deal in life insurance to some extent, but with the sickness feature predominant. The largest of these—said to be the largest in the world—has just failed in Virginia. Operating under the truly colored title of the "Grand United Order of True Reformers," it had some 60,000 members, affiliating in 2,500 subordinate lodges. Its undoing appears to be the result of "high financing" by the officers and directors, who ran a savings bank and other attachments, and by the manipulation of the funds produced a general mix-up, which left the order without funds to meet the claims upon it. The bank is in the hands of a receiver, and the True Reformers have been suspended by the State Insurance Department. Slippery management is not unknown in Caucasian beneficiary insurance circles, but life insurance in the larger senses is a great Caucasian fact. The negroes, on the other hand, have never shown a capacity of successful organization in life insurance. The plight of their largest organization is an evidence of it. And yet as a people they need life and health insurance, even if in the simpler form, and there ought to be some safe means of supplying it to them.

SEVERAL recent cases in the courts of suicide as a defense against paying a life insurance policy indicate the tendency of juries and lower court justices to accept doubts as to suicidal intent, and the disposition of the higher courts to sustain the suicide clause in the policy, unless the proofs of accidental death—which are usually alleged—are positive. A case in point is that of Garvin against the Des Moines Life in the Iowa Supreme Court, in which the court reviewed the evidence upon which the lower court and jury depended for holding the defendant company liable, and showed how strained and untenable the evidence was. The court said:

> The policy was made void if the insured die by his own hand or act, whether sane or insane, and the jury should have been instructed on that provision of the policy as requested by the defendant. It is not an uncommon belief that no absolutely sane person will destroy his own life. And, where the policy provides that it shall be void if death be caused by the act of the insured, whether sane or insane, an instruction should be given covering such provision. Nothing was said in the instructions about it, however. On the contrary, the jury was told all through the instructions that to defeat a recovery the defendant must prove that the insured committed suicide. The cases generally make a distinction between suicide and self-destruction when insane. Suicide includes the moral element of intentional self-destruction, while an insane man may commit the act without the presence of such moral element. Reversed.

It is interesting to observe in this connection the leaning toward liberality by life insurance companies in the matter of the sudden maturing of policies by the insured by suicide. Most companies limit their non-liability to

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only a year from the date of the policy, and the remainder to two years. After that their policies are incontestable for any cause except non-payment of premiums. The insured may premeditate the act at the time of securing the insurance, and if he has the patience to wait one or two years he can make the company pay to his beneficiaries—and he may thereby also swindle his fellow policyholders. Even within the time limit of non-liability some companies go still further with their liberality. Forty-four companies agree to return the premiums paid, while three pay a tenth and two a fifth part of the reserve. Three companies make no suicide conditions whatever. It is a serious question whether the inducement to suicide at any time during the life of the policy should not be removed altogether by non-liability.

Facts and Opinions.

An effort to create a statute providing for the **licensing of fire insurance brokers** by the State is to be made by Assemblyman James J. Hoey, who by virtue of his renomination in the safely Democratic Thirteenth District of New York County expects to be elected next Tuesday to represent that district in the Legislature this winter. Mr. Hoey is an insurance broker whose work in behalf of his clients entitles him to be classed as "responsible," and he proposes to eliminate the "irresponsible" class of brokers who are in the business with limited knowledge of it and for its commissions only. He says that since any man with $10 to pay for a certificate and two commissionless fire insurance policies, together with a recommendation, can procure a broker's certificate, there are a large number now posing as brokers who have no moral right to collect commissions. The bill he has in mind will specify, among other things, that the licensed broker shall execute a bond which will insure that the premiums he collects shall be paid to the company. He was opposed to the Harden bill of last winter proposing to make the broker the agent of the company, on the ground that the principle was wrong. Mr. Hoey believes that instead of trying to make the broker responsible the effort should be to make only responsible men brokers and to eliminate the others. Then such instances as that of the Brooklyn priest who entrusted his entire church property insurance to a man who flashed a broker's certificate, but who put the premiums in his pocket and vamoosed, leaving the property without insurance when a fire occurred later, will be heard of no more, Mr. Hoey believes. Mr. Hoey has been on the Insurance Committee for several years and is deeply interested in its work. He says he expects to be sustained by the better class of brokers, and as a matter of course looks for opposition from those whom his bill would eliminate from the business. Some of the latter, he recognizes, are men of considerable influence, but he believes the principles in his proposed bill will carry it through the Legislature. Mr. Hoey was active last year in securing the right of court review of rulings by the Insurance Department of the State for insurance companies, taking the ground that no official outside the courts should be endowed with power to interpret the laws of the State. He believes the insurance companies will support him in this contemplated legislation concerning brokers.

Members of the **Western Insurance Bureau**, comprising the leading fire insurance companies formerly known as the non-Union, held their first general meeting at Chicago on Wednesday since their organization last summer. All the members were present, with a number of possible members as visitors. A special dispatch to the *Journal of Commerce* says that it was voted unanimously to apply the regulations of the bureau to the business in a large number of the Western States, operations having been restricted so far to Illinois and Indiana. The bureau went on record as willing to co-operate in reducing expenses in the excepted cities as soon as an equitable agreement can be reached with the Western Union. E. G. Halle, of the Germania, president of the bureau, was in the chair. The new States to be entered are: Michigan, Wisconsin, Minnesota, North and South Dakota and Missouri. The regulations as regards commissions and other expenses are to apply after January 1, but the large cities of Detroit, Milwaukee, Minneapolis, St. Paul, St. Louis and Kansas City are excepted. The greatest difficulty will probably be encountered in Wisconsin, where the competition of the local companies has led to high commissions, but President Jones, of the Milwaukee Mechanics; Woelliger, of the Concordia, and Patten, of the Northwestern National, assured the meeting that the field could be put on the new basis with little friction. As soon as the States have been lined up additional territory will be taken up. The following resolution was adopted on the scope of the expense reduction campaign, indicating the disposition of the bureau companies to restrict their co-operation for the present to the excepted cities:

Resolved, That the Western Insurance Bureau stands ready to take up the question of the reduction of the excessive commissions and other expenses in the so called excepted cities as soon as the necessary co-operation can be secured on a basis of fairness and equity to all interests so as to make the success of such a movement reasonably assured.

The **fire loss of the United States and Canada** for October, as compiled by the *Journal of Commerce and Commercial Bulletin*, shows a total of $37,188,300. A comparison of the losses of October, 1910, with those of the same month in 1908 and 1909, together with the losses of the other months of those three years, fololws:

	1908.	1909.	1910.
January	$29,582,000	$22,735,000	$15,175,400
February	18,489,700	16,131,000	15,489,350
March	16,723,300	13,795,400	18,465,550
April	26,009,000	19,345,300	18,091,800
May	15,181,150	17,360,400	18,823,200
June	19,512,000	14,435,900	13,183,600
July	15,323,750	15,830,900	26,847,900
August	23,123,000	16,423,000	21,570,550
September	21,431,400	15,043,000	11,700,000
October	22,722,850	17,765,200	37,188,300
Total—Ten months	$208,098,150	$168,865,100	$196,535,650

It will be seen from these figures that the month just closed was the most severe as regards fire loss since April, 1906, when the San Francisco conflagration occurred. Our contemporary adds: "Of the twenty-nine fires credited as having caused a loss of more than $200,000 each, four were forest fires, with a total estimated loss of $14,600,000, but with comparatively little insurance involved. The losses, other than through forest fires, aggregated for the month $22,588,300. Altogether October was a very bad month for the fire insurance interests, and proved decidedly discouraging to underwriters."

Over-the-counter life insurance can never be a success, says Mr. W. H. Aldcroft, of the British Institute of Actuaries, in an address on business getting at Sheffield. Nothing can take the place of personal solicitation, as experience has plentifully proved. Speaking of the British Government scheme of post office life insurance, Mr. Aldcroft said:

After the expiration of the first decennial period it was obvious that industrial assurance supplied a great public need. The Government recognized this, and on the initiative of Mr. W. E. Gladstone a system of life assurance was organized to be worked through the medium of the Post Office. Every post office was constituted an agency. Great prominence was given to this mode of thrift, and various means of attracting attention, to

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make it go, were resorted to—with the exception of the right one—with the result that it has been a dismal failure. Newspaper advertising or mere placards will not secure business. This is not only true of industrial assurance business, but it applies with equal force to the purely ordinary line companies. Consider those institutions which by virtue of their constitution do not pay commissions, and obviously do not employ agents. Inspect their annual returns. How very paltry and meagre their results are, compared with the results accruing from the vigorous and up to date methods employed by other companies. Offices working on such conservative and antiquated lines secure little business, and are of very little importance in the affairs of the nation; and that inestimable form of providence symbolised by life assurance would in all probability have been practiced to only a very insignificant extent had the non-agency system been universal. Clients will not wait upon the company. Experience has demonstrated beyond the shadow of a doubt that representatives or agents are indispensable to the successful prosecution of the business, and their function, their primary function, is to wait upon the masses to explain the advantages of life assurance and to collect the premiums.

The new **committees of the American Life Convention** have been appointed for the ensuing year. We publish the makeup of the executive committee and the heads of the standing committees, as follows: Executive committee—T. W. Vardell, Southwestern Life, Dallas, Tex.; Isaac Miller Hamilton, Federal Life, Chicago, Ill.; J. B. Reynolds, Kansas City Life, Kansas City, Mo.; M. A. Woolen, American Central Life, Indianapolis, Ind,; P. D. Cold, Jr., Jefferson Standard Life, Raleigh, N. C.; Thomas L. Miller, West Coast Life, San Francisco, Cal.; W. A. Lindly, Security Mutual Life, Lincoln, Neb. Membership—Wilmer L. Moore, chairman, Southern States Life, Atlanta, Ga. Next Annual Meeting—Dr. F. G. Cross, chairman, Columbia Life, Cincinnati, Ohio. Uniform Laws—Dan W. Simms, chairman, La Fayette Life, La Fayette, Ind. Departmental Supervision—Henry Abels, chairman, Franklin Life, Springfield, Ill. Finance—William P. Smith, chairman, United States Annuity and Life, Chicago. Medical Examinations—Dr. J. W. Scott, chairman, Guarantee Life, Houston, Tex. Agents and Agencies—A. M. Johnson, chairman, National of U. S. A., Chicago. Grievances—Thomas F. Daly, chairman, Capitol Life, Denver, Col. Miscellaneous—J. W. Fry, chairman, Greensboro Life, Greensboro, N. C. Resolutions—B. H. Robinson, chairman, Bankers Reserve Life, Omaha, Neb.

The Insurance Commissioner of Michigan utters a **warning to fire insurance companies** which allow their agents to charge policy fees and leave them out in their reports, in the following communication:

It has been brought to my attention that the practice prevails to some extent among agents of fire companies in this State of collecting from the insured a policy fee in addition to the premium charge that is made by the company for carrying the risk covered under a fire policy. There is nothing ing the law of this State prohibiting an agent from collecting such a fee. It is represented to me, however, that frequently the amount of such fee is added to the company's premium charge, and the combined premium and policy fee are written in the policy as the consideration for the insurance, but only the company's charge is included in the daily report. To illustrate, a policy which a company is willing to carry for $7 is sold for $8, being the $7 premium and a $1 policy fee, and $8 is the consideration written in the policy contract, only $7 being reported to the company on the agent's daily report. The continuation of such a practice cannot be permitted. The full consideration for the policy, whether it be called premium or policy fee, must be reported to the company, and the company must report the entire consideration in its taxation and premium reports to this department. In the sworn tax statement required of fire companies it is stated that there is included "the full amount of premiums received, provided for and named in the policies written," etc. Please give this matter immediate attention, as this department will insist that you report the entire consideration paid by the insured for fire insurance as the amount of premium received.

JAMES V. BARRY,
Commissioner of Insurance.

In the **Newport News conspiracy case** Judge Barham on last Saturday at last rendered a decision. He held that there is a common law in Virginia to cover criminal conspiracy, and that, if proven, the offense alleged by the Commonwealth is indictable under the common law. This decision practically settles the case, so far as the trial court is concerned, though the hearing on the warrants, as amended by order of the court, will be held this week. In their argument on the demurrer to the warrants counsel for the defense averred that there was no law under which this case could be tried, and that the common law, even if it existed, which they claimed did not, could not cover this case, because the State Legislature had enacted a law driving the insurance combination out of Virginia, and then repealed that law, thereby inviting the South Eastern Underwriters' Association and similar organizations back into Virginia. The companies will go to the Supreme Court of Virginia on appeal.

The present British Ministry, or members of it, are trying to hatch out a **scheme of state insurance** for the working classes principally. About this the *Review*, of London, in its issue of October 21 says:

It would appear that the promised scheme of State insurance is producing a tremendous amount of unrest among the friendly societies. From time to time the views of the leading men in the friendly society world have been put forward, it being generally understood that the Government scheme would not be fully launched until all the advice that these organizations could tender had been considered. Now we hear the collective voice of the friendly societies was embodied in the following resolution, which speaks for itself: "That the National Conference of Friendly Societies, representing over 5,000,000 of members, calls upon the Government to produce the scheme of State insurance as prepared by the Chancellor of the Exchequer at the earliest possible moment, as the delay in introducing the same is detrimental to the progress of our friendly societies." This conference was held last week. But opinion was far from unanimous, as 49 voted for the resolution and 30 against. According to the report of the gathering, some of the speakers were against any State scheme at all. As far as the Manchester Unity of Oddfellows is concerned it will be welcomed if it promises to turn out for the good of the nation; but if it is to be a disadvantage to friendly societies in general, and the Manchester Unity of Oddfellows in particular, then it is to meet with uncompromising hostility. This means that State insurance, unless worked through friendly societies, is going to cause a lot of unpleasantness.

A tri-State conference—of Minnesota, Wisconsin and Michigan—is to be held at St. Paul, Minn., on December 6 and 7, for the discussion of the **causes and prevention of forest fires.** *Northwest Insurance* urges the participation in the conference of fire underwriters. It says:

This is a subject of live interest to insurance companies, which, although they do not accept standing timber as risks, each year suffer thousands of dollars loss from the destruction of insured property in the paths of forest flames. It is on the suggestion of *Northwest Insurance* that fire insurance interests are to be given due consideration with a place on the conference program, and it is to be hoped that timely truths and needs relative to the existing hazard of the woods be told the assembled delegates in plain language from the insurance viewpoint. We feel sure this will be excellently done if Mr. Walter I. Fisher, of Minneapolis, can be prevailed upon to accept the program assignment which he is to be tendered. Because of the exceptionally dry spring, summer and fall the fires this year have been especially frequent and severe. It is to be hoped the terrible lesson of the 1910 season will not be lost, that the action blossoming in the coming tri-State conference may bear fruit in legislation that will afford some form of substantial north country protection in the immediate future.

The notable insurance event of the week in Pittsburgh was the thirtieth anniversary celebration of the **Woods general agency of the Equitable.** There were many prominent guests, including President Paul Morton and Vice President George T. Wilson, of the home office, both of whom made addresses. The agency was started by Dr. George Woods, then ex-chancellor of the Western University, who retired in 1890. It is now conducted by Edward A. Woods, who made the announcement that the agency is to be incorporated with a capital at first of $250,000, thus insuring its continuance in the event of his death. During the month preceding the anniversary 176 members of the agency wrote 911 applications for $2,718,950 of insurance. From two persons thirty years ago the agency has grown to require the services of 355 employees, and from a

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premium income of $10,529 to one of over $4,000,000. The women members of the agency will pay for $500,000 of business this year.

The arrest of Henry R. Townsley, of New York, president of and a director in the Manhattan Bond and Underwriting Company of New York, and Victor Lubliner, vice president of the National Assurance Company, which is a Delaware corporation, with offices until recently at 64 Wall street, was caused by the Federal authorities on a charge of using the **United States mails for fraudulent purposes.** The men were taken in custody at Wilmington, Del., and were held in $2,500 bail for a hearing next Tuesday. Post Office Inspector Koons, in his bill of complaint, declares that the mails were used to distribute letters, circulars and the like, "falsely and fraudulently pretending that the National Assurance Company was to do the business of a stock fire insurance company, with 'men of high financial standing and experience' behind it, and that the insurance press indorsed the company." Many books and papers of the company were confiscated.

The new general agency firm of **Rhodes & Morrison** took charge of the business of the Berkshire Life in New York city and New Jersey on November 1, succeeding Mr. John H. Robinson, who retains his contract with the company, and is now at liberty to devote more time to actual outside work. The new firm assumes the details of the office management, and will enter at once on an active campaign for business. Mr. Rhodes has had seventeen years' experience with the Berkshire, starting as office boy at the Pittsburgh agency. He was the active head of the Pittsburgh agency when designated to come to New York. Mr. Morrison was for eleven years with the Mutual Benefit Life, being manager of the Jersey City office during the past six years. The local and vicinity interests of the Berkshire Life appear to have been entrusted to capable managers.

It is learned that an attempt will be made during the session of the New York Legislature next winter to secure legislation which will provide for a **review of the rulings** of the New York Fire Insurance Exchange in cases where the Exchange and the insured or broker are of opposing opinions as to rates. The details of the plan have not as yet been worked out, although one plan suggested is to legalize the operations of the Exchange, and then place it under the supervision of the State Insurance Department. Another plan is to create a branch of the department, to be located in this city, for the purpose of hearing complaints in cases where error is thought to exist in the rulings of the Exchange. It is pointed out that it is not to be an attempt to abolish the Exchange, but only to provide an opportunity to appeal from its rulings when advisable to do so.

Two Philadelphia mutual fire insurance companies are in **a plight for lack of funds** to meet claims, and the Insurance Department has called the attention of the Pennsylvania Attorney General to their condition. They are the Liberty Mutual Fire and the Lincoln Mutual Fire, both having offices in the Drexel Building, Philadelphia. They began business about three years ago, and have placed risks principally in Philadelphia, New York and Chicago. Attorneys for the companies have asked for a stay of proceedings until they can raise the necessary funds to pay the claims, which amount to some $30,000. The current policyholders have been asked to place their insurance elsewhere.

The **Kentucky** Insurance Department recently sent to all the insurance agents and companies in the State a notice that the **anti-rebate law** will be strictly enforced against all violators, sending it out now, as the time is approaching when rebating is usually rife. Secretary Meriwether, of the Inter-Southern Life, has addressed all the insurance managers in the State, soliciting their co-operation in a movement to assist the department by punishing any violators. It has been suggested that in order to make the law effective a penalty should be provided for the insured as well as the agent, and for any company which knowingly accepts rebated insurance.

An Indianapolis special dispatch to the *Journal of Commerce* says that Judge Weir, of the Marion County Court, on Saturday heard proposed drafts for an injunction to be issued against fire insurance companies in Indiana to prevent **uniform rate enforcement** submitted by both the Attorney General and attorneys for the defendant companies. He rejected both drafts, and stated that he would make a draft himself which he would submit for consideration early this week. Attorneys for the defense criticised the draft prepared by the Attorney General as being so stringent that no company could operate in the State if it were adopted and ordered.

The **Toledo Life** of Ohio has completed its organization by the election of the following officers: President, Wilbur Wynant; vice presidents, William Standart, E. P. Breckenridge, John J. Barber, C. P. Harley; secretary, R. S. Walker; treasurer, C. M. Feilbach; attorney, Chas. K. Friedman; medical director, R. S. Walker; actuary, James W. Glover; executive committee, James Hodge, M. M. Stophlet and L. S. Ottenheimer; finance committee, C. M. Feilbach, Geo. E. Meyers and Frank Bainbridge. The company expects to begin business about December 1.

The Pittsburgh Life Underwriters' Association, at its last meeting, paid a feeling tribute to the life work and personality of the late **James C. Bergstresser, of the** *Insurance World*, in the course of which it was said:

We desire to bear testimony to his genial comradeship, loyal friendship and fine sense of personal honor in all his personal as well as business relations. With these fine traits he carried an optimistic and brave spirit which made him battle courageously and hopefully for many years with an unconquerable disease. Aside from his strong, pleasing personality, he was essentially a gentleman by birth and culture, maintaining always high standards worthy of his lineage and always keeping himself in close touch with the best civic and patriotic ideals.

The Vest Pocket Life Agents' Brief is an admiriable little book published by the Spectator Company, containing in form for immediate consultation the premium rates, policy provisions and net cost of insurance of 118 participating and non-participating life insurance companies. There are also tables showing the provisions made by these companies for age limit, applications, dividends, grace, incontestability, loans, non-forfeiture, occupations, payment of claims, reinstatement, residence and travel, suicide and insured women. The second edition is just published. Price per copy, $1.

"The Impossibilities of Yesterday" is the title of a delightful little brochure sent out by the Provident Savings Life with the compliments of its president, Mr. E. E. Rittenhouse. Human flight, achievements of American progress and other things considered but a few years ago as outside the limits of possibility are marshaled in line, and their accomplishment today is deftly used to point out like success along life insurance lines, with just the right amount of suggestion as to the desirabilities of Provident Savings Life contracts.

The officers of the Northwestern Mutual Fire of Seattle last week caused the **arrest of John C. Piver,** publisher of the

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Underwriters' Report, of San Francisco, which has had much to say of late about what it claims to be unsatisfactory business methods employed in the conduct of the company. A civil action to recover $50,000 damages for alleged libel had been filed against Mr. Piver the day previous. A similar civil action filed last year was recently disposed of favorably to the publisher.

A promotion company at Atlanta, Ga., to be known as the Southern Finance and Security Company, is being organized for the purpose of selling the stock of a proposed new life insurance company, which will bear the name of the **Atlanta National Life** insurance company. The capital will be $200,000, and the stock will be sold principally in Georgia. Col. S. M. Ormsby will be president; W. A. Gresham, secretary, and Charles J. Vollmer, from Baltimore, general manager.

A boy at Evansville, Ind., discovered **a new fire hazard** for gasoline by buying it instead of the vinegar for which his mother sent him to the store. When she poured it into the kettle of pickles on the stove there was an explosion and the house was quickly afire. Pluckily throwing the pickle pot out of the window, the adjoining house was set on fire. The firemen also turned a stream of water on the mother, who was not as badly burned as might have been expected.

The resignation of Insurance Commissioner **James V. Barry,** of Michigan, is announced, effective November 15. Mr. Barry will then become manager of the new bureau of publicity of the Board of Casualty and Surety Underwriters, with headquarters at Detroit, which is an organization similar to the Association of Life Insurance Presidents. The Governor of Michigan has appointed Marion O. Rowland, formerly deputy insurance commissioner, to succeed Mr. Barry.

The International Electric Protection Company has obtained from Fire Commissioner Waldo a letter to the Board of Estimate of New York, asking early attention to the company's **automatic fire alarm system,** and its application for a franchise to run its wires through the ducts of the Empire City Subway Company. The Electric Protection Company filed its plans with the board over two years ago, and has been trying since then to obtain definite consideration.

A plan to avoid the criticism which has been directed against his department has been suggested by Insurance Commissioner Schively, of Washington, who in a letter to Governor Hay has suggested that the **cost of examinations of insurance companies** be borne from the taxes collected from the companies. He directs attention to the half million of dollars collected from companies last year, and says that this amount should cover examinations also.

Following the examination of the Franklin Life of Springfield, made at the request of those who feared that in its recent consolidation with the La Salle Life of Chicago and the change from mutual to a stock basis the **interests of** the old **mutual policyholders** had not been sufficiently safeguarded, it is announced that the charter has been so amended as to protect all the rights of the holders of the mutual policies formerly issued.

Following the discovery that boxes and other inflammable material soaked with kerosene were piled in the cellar of a store in Richwood, W. Va., Fire Marshal Ellison caused the arrest of the proprietor and secured his **conviction of the charge of arson** after a trial in the lower court lasting ten days. An appeal is to be taken. The whole village was endangered by the fire, which partially destroyed the store.

On October 30 the **Museum of Safety and Sanitation,** in the United Engineering Building, 25 West Thirty-ninth street, will be formally reopened with appropriate ceremonies. The museum will contain models of all the latest approved devices for preventing accidents, saving life and conserving health. The Travelers insurance company will award a medal for the best safety appliance to be exhibited at the musuem.

The ruling of Judge Gest, of the Illinois Circuit Court, that the Rock Island County officials failed in some of the requirements attending the selection of the special grand jury which indicted eleven officials of the Fraternal Tribunes and other fraternal societies, has **released the indicted persons.** They were charged with bringing about the financial ruin of the Fraternal Tribunes and several other orders.

There is **strife in Pittsburgh** between the Chamber of Commerce and the Pittsburgh Board of Fire Underwriters. The former organization claims that in Pittsburgh fire insurance rates are too high, considering the fire loss record, and it has asked the courts to dissolve the underwriters' organization. Withdrawal from the city is threatened if the dissolution is accomplished.

The New York Insurance Department has obtained a Supreme Court order directing the **liquidation of** the fraternal order of **Knights of St. John and Malta.** At the time of the examination of the order as of June 1, 1910, there was found to be about $13,000 with which to pay claims totaling $58,000. Edwards P. Ward is the special deputy in charge of the liquidation.

A Chicago dispatch states that there is now growing among fraternal organizations a sentiment that since the uniform fraternals bill has been agreed upon, and there will no longer exist the contentions over rate regulations and other differences, there will be **no need for the continuance** of the National Fraternal Congress and the Associated Fraternities of America.

The city of **Hornell, N. Y.,** is afflicted with the faults of weak construction and inadequate water supply, according to the report on its **fire hazards** submitted by the engineers of the National Board of Fire Underwriters. There are too few permanent firemen in the department, they say, and its system of water mains is poorly distributed for efficiency in times of fire fighting.

Companies belonging to the **Western Insurance Bureau** are operating quietly against several outside companies which have been offering excess commissions and contingent contracts. No agreements have been reached, but special agents have been notifying agents who have taken in the excess commission companies that one or the other would have to go.

The **First National Life of Baltimore,** which was chartered by the last Maryland Legislature, is making good progress in the sale of its $200,000 authorized capital stock. The company proposes to keep well within a limit of from 12½ to 15 per cent. for promotion expenses, and will have its capital stock all paid in before making a bid for business.

An error of omission was made last week by not mentioning the **International insurance company,** the only American

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fire reinsurance company in existence. It began business in July, 1909, and its gross premium income at the close of the year had reached the comfortable total of $2,021,149. It does business with three fire insurance companies only.

The *Insurance World* has learned that one Dr. Haas, a local dentist at Evansville, Ind., has conceived the idea of forming a **tooth insurance company,** under which it is proposed to insure teeth for $1.50 per annum. The prospectus of the company says that "if a policyholder loses a tooth in any way Dr. Haas will replace it with a new one."

The fire insurance agency conducted at Providence, R. I., by G. I. Parker has been purchased by **Walter H. Robinson,** son of John H. Robinson, associate general agent for the Berkshire Life in this city. Mr. Robinson has made a special study of fire insurance, and with his experience should achieve success in the Providence field.

Efforts will be made this winter to have the Legislature **raise the amount of the bond** required from fire insurance companies in Arkansas from $20,000 to $50,000. It is said the former amount has been found insufficient in some cases to protect clients from loss through unpaid claims against insolvent companies.

The **Metropolitan Life** has found a new site for its proposed **tuberculosis sanitarium** for its employees, and has asked permission of the State Health Department to build it at Moreau, near Mount MacGregor, in Saratoga County. Health Commissioner Porter will hold a hearing on the matter at a date to be announced.

The Home Life of America has accepted with regret the resignation of **George M. Nettleship,** for two years ordinary department manager and since January last general manager of the company's ordinary and industrial departments. His resignation was due to family interest requiring his presence in England.

The rehearing on the **Federal corporation tax cases** before the United States Supreme Court has been postponed from November 14 next to January 3. One reason given is the desirability of a full bench at the rehearing, and it is expected that the Supreme Court vacancies will be filled by the latter time.

The National Life of the United States of America, which has been writing heretofore on the preliminary term or modified preliminary term basis, has issued a new policy on the full legal reserve basis on the non-participating twenty year basis, at reduced rates and with guaranteed additions.

Regardless of a temporary loss of her voice Miss Maude Freeman, a New York Life agent at Chicago, wrote six applications for $19,000 of insurance in eight days for total premiums of $850, whereupon the *Insurance Field* is led to remark: **"Oh, these girls!"**

Notwithstanding the **high fire loss in New Orleans** of late convictions of arson are hard to secure on account of the State law prescribing the death penalty for guilty persons. The State Fire Marshal is trying to eliminate the more dangerous fire hazards in the city.

The life insurance agents at **Madison,** Wis., met recently to consider the organization of a **Life Underwriters' Association,** Insurance Commissioner Beedle, of Wisconsin, presiding. Permanent officers will be elected and a constitution adopted at the next meeting.

The **Equitable Life of Iowa** has appointed Dr. Wilmer Christian as general agent at Indianapolis, to succeed C. H. McDowell, whose contract expires in June next. Mr. McDowell will enter the ministerial field, having prepared for that work.

The Illinois Supreme Court has upheld the contention that the offer of stock with a life insurance policy **constitutes a rebate,** and has confirmed the judgment of the lower court, which imposed a fine of $500 on the Commercial Life of Chicago.

The **Western department of the North British and Mercantile** was closed at Chicago and moved to New York city November 1. A Chicago office is still in charge of Mr. Littlejohn, the former Western manager, who will retire next year.

The formalities attending the entry of the **National Fire of Paris** to New York State have been completed, and the company is now authorized to transact business. Starkweather & Shepley, of Providence, R. I., are United States managers.

The **Preferred Life of Grand Rapids** gave a dinner to its officers, directors and stockholders on the evening of October 28 to celebrate the attainment of the million dollar mark of insurance written during its first nine months.

The **Second Russian Reinsurance Company** has entered for United States business through Fester, Douglas & Folsom. The deposit will be made in Connecticut, and all States except New York and Ohio will be entered.

The Farmers and Bankers Life is being organized at Wichita, Kan., with H. R. Lindsey as president and E. B. Jewett secretary and treasurer. The promoters were formerly connected with the American Central Life.

The **Pacific Coast Fire of Vancouver, B. C.,** will make a deposit in New York early next year, and will enter the United States field under the management of President Amonson, of the People's National of Philadelphia.

The **People's National Fire of Philadelphia** is supplying its agents who qualify for membership in the "Noble Order of the Elephant" with a handsome watch fob, which carries the portrait of the elephant in bas relief.

The libel action recently brought against a fire insurance company as a result of the **Ampersand Hotel fire** has been dismissed by Justice Whitney, and the judgment has been affirmed in the Appellate Division.

At the meeting of the Cleveland Life Underwriters' Association November 18 **Mr. L. C. Woods,** assistant manager of the Pittsburgh agency of the Equitable, will speak on "Corporation Insurance."

The **South German Reinsurance Company** is about to make a deposit in New York, and later intends to enter other States. Direct business will probably be transacted with one company only.

The **Alliance of London** will shortly make a deposit at Albany for the purpose of writing **marine insurance** in this

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country. Chubb & Son have been appointed marine underwriters.

The Chicago Life Underwriters' Association is planning to give a dinner to those who will attend the annual meeting of the **Association of Life Insurance Presidents** December 9-10.

The return of **Herman Leroy** to the life insurance business is a welcome announcement. Mr. Leroy has opened an office for the Equitable in the Flatiron Building, New York city.

The **Factory Assurance Association** has decided to offer 10 per cent. to brokers for new business instead of 5 per cent. Renewal commissions are unchanged.

The **fire danger** is serious **at San Jose, Cal.**, on account of poor construction and inadequate water supply, says the report of the National Board engineers.

The annual report of Fire Commissioner Waldo gives the **fire loss in New York city** for 1909 as $7,431,635, a decrease of $1,829,443 from the previous year.

The **Chicago Board of Underwriters** has contracted for quarters in the new Underwriters' Building to be constructed on Jackson boulevard.

Insurance against twins may be obtained of Lloyds, London, providing it is applied for more than thirty days before the event is expected.

The **Atlas Assurance Company of London** has elected Walter P. Bliss and Edwin G. Merrill to its board of United States trustees.

The **Lone Star Life of Dallas, Tex.**, was licensed by the Texas Insurance Department Tuesday. The capital stock is $100,000.

The **Western States Life** of San Francisco, still in process of promotion, has suffered its first death loss, on a $3,500 policy.

Another meeting of the **Eastern Union** is to be held soon to further discuss the matter of expenses in the excepted territory.

The **Union Life of Chicago** has been licensed in West Virginia, with C. L. Haebelin, of Charleston, as general agent.

The **Ohio National Life of Cincinnati** has announced its intention to increase its capital from $100,000 to $500,000.

The **Providence-Washington of Providence, R. I.**, is examining the Canadian field, with a view of entering Canada.

The **Minnesota forest fires** cost the fire insurance companies over $700,000 for losses at Spooner and Beaudette.

The **Great Western Fire of Minneapolis** is being organized by O. O. Tollefson. The proposed capital is $1,000,000.

The New York Insurance Department is examining the **Hamilton Fire of New York.**

The **State Fire of Omaha** has been licensed in Iowa.

Personal.

AGENCY APPOINTMENTS.

American Fire of Newark: W. A. Ford, State agent for Nebraska and western Iowa, with headquarters at Omaha; W. C. Kirchbeck, agent for Iowa, east of Des Moines; E. R. Perfect, State agent for Missouri farm business.

American insurance company: William Ford, State agent in Nebraska, with headquarters at Omaha.

California Fire: Charles H. Harraden, special agent in Ohio, with headquarters at Columbus.

Fidelity-Phenix: O. A. Gentry, special agent.

General Fire of Paris: Mutney P. James, Western special agent; H. F. Chase, Eastern special agent.

Home: Henry W. Wagent, special agent for central and northern California.

Massachusetts Fire and Marine: Geo. H. Russell & Co., agents at Milwaukee.

Michigan Mutual Life: J. W. Stringer, general agent for Indiana.

National Fire of Paris: Van Voorhees & Gaubert, agents for Brooklyn.

New Jersey Fidelity and Plate Glass: Ward & Gaskill, of San Francisco, managers for California.

Phœnix of London: R. M. Welch, State agent for Wisconsin; John R. Hall, State agent for the Dakotas.

Scottish Union: Thomas R. Fletcher, State agent in Minnesota.

Dr. Edward Holman Hamill, consulting medical director of the Prudential insurance company, died October 29, at his home in Chatham, N. J., as the result of a nervous breakdown. He was born in 1845, and after graduating from the College of Physicians and Surgeons in New York he joined the Prudential. He was at one time president of the Life Insurance Medical Directors' Association.

Mr. A. L. Salzstein, of Milwaukee, last week celebrated the tenth anniversary of his appointment as general agent for Wisconsin and northern Michigan for the New England Mutual Life. A meeting of his agents was held at the company offices, followed by a dinner at which Vice President Appel, of the New England Mutual, was guest of honor.

Mr. J. L. Whitlock, Western manager for the Glens Falls, completed his twenty-ninth year for that company on November 1, and was reminded of the fact by the presentation of a beautiful bouquet of roses. The month of November has also been made a special month, and the agency force has been asked to make it so in a business way.

Mr. Daniel L. Van Antwerp, a well known insurance man of Troy, N. Y., who was struck by an automobile last week, died November 1 at a hospital, never having regained consciousness since the accident. He had been with the firm of Nehr & Carpenter and its successors since his entry into the insurance business thirty years ago.

Mr. Howard Sutphen has resigned as assistant manager of the Eastern division of the Prudential to become director of the agencies for the Pittsburgh Life and Trust, which is reorganizing its agency department, with five superintendents in charge of various districts.

Mr. Paul Turner, Jr., a special agent of the Philadelphia Underwriters, has resigned from that position as of December 1. After that time Mr. Turner will enter the service of the London and Lancashire and Orient insurance companies, with headquarters at Pittsburgh.

Mr. Joseph F. Barley, recently resigned from the service of the Fidelity-Phenix, has joined the firm of F. R. Cruikshank & Co., New York city, and will give special attention to the out of town brokerage business of the firm.

Mr. Charles F. Street, chief examiner for the Western department of the Franklin Fire of Philadelphia, died October 30 of heart trouble. He had been connected with the Franklin for thirty-four years.

Mr. Frederick A. Draper has resigned as secretary of the Rockford Life of Rockford, Ill. He is succeeded by William Smith, one of the company's organizers, but of late with the Cleveland Life.

Mr. J. Howard Hunter, K. C., inspector of insurance for the Province of Ontario, died suddenly on October 6. He was a well known figure in Canadian insurance circles.

Mr. Clifford R. Allen, formerly vice president and general manager of Our Home Life of Miami, Fla., has been elected president to succeed the late Napoleon B. Broward.

Mr. Robert H. Sell, formerly president of the People's Surety, has gone with the National Surety under Vice President Dammann, of the contract bond department.

Mr. J. F. Libby has been appointed general agent for the northern peninsula of Michigan for the Union Life of Chicago, with headquarters at Manton.

Mr. Charles Alcock, of Liverpool, managing director of the Royal of Liverpool, has been visiting the Pacific Coast field the past few days.

Mr. Henry W. Eaton, United States manager of the Liverpool and London and Globe, has returned from a business trip to the Pacific Coast.

Mr. Charles A. Page, a well known Pacific Coast fire insurance man, died at Eureka, Cal., last week, aged fifty-five years.

Mr. W. E. Frost, who had been in the employ of the Continental since 1871 in the local department, died October 31.

Mr. Charles W. Sparks, local secretary for the London Assurance Company, has returned from a visit to England.

Mr. J. M. Ensheimer, a prominent insurance man of Wheeling, W. Va., died suddenly November 1.

Manager Carl Schreiner, of the Munich Reinsurance company, is in New York on business.

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Casualty and Surety Insurance.

The **plate glass insurance field** is now open, but Manager Giles, of the Philadelphia Casualty, objects to being credited with having caused the difficulty. He says in a special communication to this paper that instead he has been active in securing pledges from companies not in the present association, with a view to forming a new organization under a fair compact, which shall include regulations against rebating in any manner, and providing, among other things, for uniform commissions to agents and uniform brokerage commissions. He favors surveys and also favors specific ratings for values of more than $150.

The expected suit against the Casualty Company of America to recover under the accident policy for $50,000 held by the late **Charles C. Dickinson** has been filed this week. The complaint claims his death in a Scranton laboratory last May to have been accidental, due to pneumonia following the inhalation of poisonous fumes. Other casualty companies interested through reinsurance are the Great Eastern, the Georgia Life and Casualty, the American Fidelity, the United States Casualty, the New Amsterdam Casualty, the Columbian National Casualty and the South German Reinsurance Company of Munich.

The New York Plate Glass Company is contemplating a change of name to the **City of New York Casualty Company** to conform with the name of the City of New York Fire insurance company, Major A. White being president of both companies. The company, after it is able to occupy its new building at 63 Maiden lane and 91 William street, will enlarge its business scope by the addition of numerous casualty lines.

The **Belmont Park aviation meet** was productive of but one accident of interest to the companies writing insurance for the meet, and that was an injury to the foot of one of the workmen about the hangars. The General Accident carried the employers' liability insurance. Lloyds will have no claim under its public liability policies, for which a premium of $2,500 was paid.

Statistics of **street accidents in New York city** in October show that 17 persons were killed and 151 injured. Of those killed 7 were children. Automobiles were responsible for 8 deaths and 79 injuries, street cars being second with a record of 6 killed and 62 injured. Three were killed and 10 injured by wagons.

The **Government Surety and Casualty of New York** expects to be ready for business, with a capital of $300,000 and surplus of $150,000, by January 1. It will write fidelity and surety bonds, employers' liability, personal accident and health, burglary and plate glass insurance.

Figures compiled by the Interstate Commerce Commission show that the number of persons killed in **train accidents** in April, May and June of this year were 137, and that 2,641 were injured. This is an increase of 38 killed and 525 injured over the preceding three months.

The **Metropolitan Casualty,** President Winslow explains, is in favor of a genuine elimination of "frills" in accident and health policies, but opposed to such an elimination as the present effort had resolved itself into through favors to various influential companies.

The **bonding requirements** of the contractors when the new subway contracts are awarded will afford the surety companies plenty of business for the time, and will require the backing of a large amount of capital.

Numerous **dissatisfied stockholders** have started suits to recover payments on stock subscriptions to the proposed Guarantee Surety and Casualty Company of Kansas City.

The resignation of Resident Vice President **John B. Murphy,** who has been in charge of the brokers' branch of the National Surety, is announced.

A meeting of **liability** underwriters is being held at Hartford for the consideration of workmen's compensation and employers' liability **rates.**

The following application to organize a **new national bank** was approved this week: The First National Bank of Como, Tex., capital $40,000.

The **Peninsula Casualty** of Jacksonville, Fla., has been admitted to Tennessee, where W. P. Ausbrooks, of Nashville, is agent.

The **Massachusetts Accident** started writing business in Illinois November 1, with Robert B. Thorne as Illinois manager.

The **Empire Casualty of West Virginia,** with principal offices in Philadelphia, has gone into the hands of receivers.

The **Southwestern Surety of Oklahoma** has been granted a license to begin business.

The **International Casualty of Spokane, Wash.,** has been admitted to Indiana.

The **Prudential Casualty of Indiana** has applied for admission to California.

Official Reports.

West Virginia Insurance Report.

In his annual report, just issued, Auditor and Insurance Commissioner Darst makes the following recommendations regarding insurance legislation:

Section 1107a2 of the Code, Annotated Supplement 1907, requires me to report to the Governor such changes which, in my opinion, should be made in the laws relating to insurance. For several reasons it is not deemed desirable to recommend any changes in the law at this time:

First—Because this report goes to press at a date long in advance of the meeting of the Legislature.

Second—The necessity for uniform laws regulating insurance throughout the several States is becoming more and more apparent and the supervising insurance officials of the United States are working together, as far as possible, to bring about further uniform requirements, and it is expected that at the next meeting of the Convention of Insurance Commissioners, in September, a great many uniform laws will be agreed upon for presentation to the several State legislatures.

Third—A committee of the Insurance Commissioners has arranged to meet the fraternal bodies for the purpose of agreeing upon a uniform plan of supervising the operations of the fraternal societies, and it is anticipated by the insurance fraternity generally that a satisfactory agreement will be reached, and if so, it is the desire of this department to recommend amendments in our fraternal laws to meet the uniform requirements.

WIDESPREAD DISSATISFACTION OVER RATES.

Fourth—Widespread dissatisfaction is resulting from the present rates charged by fire insurance companies and some of the

(*Continued on page* 381.)

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The Weekly Underwriter:

MONTHLY FIRE INSURANCE SUPPLEMENT.

NEW YORK, NOVEMBER 5, 1910.

FLOUR MILLS.

A Review of the Processes and Fire Hazards to be Found in the Modern Flour Mill—Suggestions for Fire Prevention and Protection.

By Clark F. Hinman, Inspector with the Ohio Inspection Bureau, Columbus, Ohio.

In order to gain a clearer conception of milling processes and machinery a slight knowledge of the wheat berry and its properties is necessary.

The wheat berry is composed of four coats of woody fibre, inside of which is a coat known as the gluten coat, and in the interior is a cellular substance whose main property is starch. Wheat cracked in a mortar gives a powder mixed with scales. Bolting or sifting separates the whole meal into two parts known as bran and flour. The former consists of the outer woody part of the grain with adhering portions of the interior; the remainder is called flour.

With refinements in the art of baking came a demand for a finer flour than could be secured by merely cracking the wheat berry and removing the coarser part of bran. New modes of milling were introduced, and the product was separated into more numerous grades. It was customary at one time in the United States to divide the product into three grades—flour, connell (shorts or middlings) and bran. These three have been further increased by approved appliances, and in the best mills the grades of flour now produced number at least ten.

Without entering into the question of the food values of the constituents of the wheat berry let it suffice to say that the larger the percentage of the interior of the berry in the flour the smaller must be its nutritive value; and, correspondingly, the larger the percentage of the gluten coat, or that next to the bran coats, the greater will be the nutritive value of the flour.

The problem of the miller, therefore, is to remove the outer covering, or bran, at the same time retaining the largest possible amount of the inner coat, or gluten.

PROCESSES.

Grain that comes to a flour mill from a cleaning or storage elevator has already been put through several cleaning machines. Nevertheless in an up to date flour mill, no matter how well the grain may have been cleaned in the elevator, it is subjected to a final cleaning before it is allowed to enter the grinding machines. Thorough cleaning of wheat is now universally recognized as the first great step in milling. In modern mills oftentimes the grain is passed through two separators, a magnetic separator and two double scourers, before it is allowed to go to the rolls, notwithstanding the fact that it may have had one or two preliminary cleanings in the grain elevator.

After the grain has been thoroughly cleaned it is sent to the roller mills for grinding. The ordinary flour mill has four to six breaks and ten reductions, which means that the grain is broken or crushed between four or six sets of corrugated rollers, the stock being separated by sifting machines after each grinding, the coarse stock going back to the breaks and the fine passed to the purifiers and between smooth rollers, and thence to the flour bins. Only a part of the stock travels through all of the breaks, as a large amount is taken out by sifters. The stock that comes from the last break is hardly anything but bran. This is sent to the bran dusters for cleaning and then passed to the feed bins. To enter more into detail, the grain is fed by a spout from the bins filled by the final cleaning machines, generally wheat scourers, to the roller mills (usually located on a lower floor); thence it passes through the first break or set of corrugated rollers, which merely crush the grain enough to crack the berry open; this stock is then raised through an elevator leg to a higher floor to sifting machines (known by various names as bolters, sifters, plansifters, gyrators, etc.); the sifting machine divides the stock into three separations or parts—fine dust, middlings and coarse tailings; the fine dust after being dressed goes to the flour bin, the middlings to purifiers, and thence to smooth rollers, which reduce them to flour, and the coarse tailings go to the second break. The stock from the second and succeeding breaks up to the last one is treated in the same manner as that from the first, separations being made by sifting machines, the coarse stock returned to the third break, the middlings to purifiers for reduction and the fine dust passed to flour bins. In each successive break the rollers are set more closely together and have finer corrugations, so that the stock that comes from the last break is nothing more than the outer woody coats of the wheat berry crushed into flat flakes of bran. This is put through scalping reels and bran dusters to shake loose as much as possible of the gluten coat and then passed to the bran bins.

It may be noted that the flour milling process differs radically from the most of those connected with the manufacture of other products in that, instead of the stock being freed from the waste or undesirable elements in the beginning of the process, it is retained until the last. Flour making is a process of separation, the desirable parts being slowly subtracted until only the waste or by-product is left.

CONSTRUCTION.

No attempt will be made in this paper to outline definite standards for flour mill construction. Within recent years a number of large up to date flour mills of reinforced concrete and other grades of fireproof or semi-fireproof construction have been erected, but these have generally been larger mills of a type not commonly found in Ohio and adjacent States.

A flour mill ought to be of mill or at least semi-mill construction with power features in a detached brick building or an adjoining brick addition cut off in a standard manner. As few vertical openings as possible should be made and these should be protected by traps or self-closing doors wherever it can be done. It is difficult, however, to cut off the different floors of a flour mill from one another, for the reason that the large number of elevator legs, spouts, etc., running from the top to the bottom of the mill, cannot be trapped, and in the fire act like so many flues to spread the flames.

The above is a general idea of what flour mill construction should be. What it really is we find to be greatly different. There are a number of flour mills in the State of Ohio and the Middle West of excellent construction, but the majority are very cheaply and poorly built.

The common type of country flour mill (which means mills found anywhere in towns of 25,000 or less), having a daily capacity of 50 to 100 barrels, is a three or four story frame building of ordinary open finish construction, with a one story frame or brick boiler house adjoining and communicating and very seldom cut off. An open stairway generally runs from the bottom to the top of the mill. The proportion of brick and stone mills to those of frame or frame ironclad construction is very low, and the majority of frame mills are rather light structures.

The New Keewatin Mill of the Lake of the Woods Milling Company, Keewatin, Ontario, is a modern mill of superior construction. The mill buildings, storage elevator and warehouse are built of reinforced concrete resting on solid rock. The wheat cleaning and wheat washing house is separated from the main building by a solid concrete wall. The storage elevator is connected with the main building by means of a belt conveyor, by which all grain intended for the mill is conveyed to an elevator leg and re-elevated to the mill bins. All parts of the elevators are absolutely fireproof in construction, the roofs, floors and cupola enclosures being of reinforced concrete, fitted with wired glass windows and steel sash.

OCCUPANCY.

The ordinary three-story mill is generally occupied as follows: Third Floor—Elevator heads, bolters, reels and cleaning machinery; Second Floor—Purifiers, dust collectors and bins; First

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Floor—Roller mills, flour packing, shipping, feed mills and corn shellers—if any, and office; Basement—Main line shafting, boilers and engines in adjoining addition on same level.

The above relations are generally preserved as regards the machinery no matter what the height of the mill may be, i. e., the bolters and reels are usually located at the top of the mill, the roller mills at or near the bottom and the purifiers somewhere in between. In the larger mills it is a common thing to cut off one end of the building by a division wall and locate all cleaning machinery therein.

The occupancy of the Keewatin flour mill is as follows:

Cupola—Elevator heads and dust collectors; Fourth Floor—Bolters, purifiers and dust collectors; Third Floor—Purifiers and dust collectors; Second Floor—Spout room and reels; First Floor—Roller mills; Basement—Main line shafting.

COMMON HAZARDS.

It will be unnecessary to go at length into a treatment of the common hazards found in flour mills, as the arrangements of the same do not differ greatly from those found in other special hazard and mercantile risks.

At one time in the history of milling water power was used almost altogether, but upon the introduction of the steam engine, prosaic boilers replaced poetical water wheels until at the present time water power mills are not common except along large and swiftly flowing streams. The majority of present day mills are operated by steam power, but since the gas and gasoline engines have become perfected, these have in numerous instances taken the place of boilers and engines, especially in smaller country mills. Although not used actively, in most cases the boilers still remain in the mill as an emergency source of power.

The general arrangement of steam power in the country mill is as follows: Horizontal boilers encased in brick but generally unarched, with metal stack through combustible roof, set in a one story brick, frame or frame ironclad addition, communicating and adjoining, and seldom if ever wholly cut off.

Steam power installations should not differ greatly from those in other mills, and common rules for inspecting steam power hazard are applicable as a whole. One point that should be noted is that spark arresters should be installed on all stacks where cobs are used extensively for fuel. Gas engine installations vary widely, but as a general rule the exhaust passes through wood and is poorly arranged, and approved regulators are the exception, the majority being of the rubber bag or gasometer type. Nearly all gasoline engines are pump fed, but the tanks are rarely located underground at a sufficient distance from building.

Steam radiators and gas and coal stoves, with their usual hazards, are found, with steam heat more commonly used and held in greater favor because of the fact that the installation of heating arrangements which employ open flames has come to be regarded as poor practice where an explosion hazard from flying dust exists.

Electric lights installed in accordance with the national electrical code, with dustproof sockets, and switches and cut-outs in dustproof cabinets, are the best lights for a flour mill. However, the larger number of mills have oil lanterns of an unapproved type (not dustproof), and occasionally open flame gas jets may be found.

SHAFTING AND BEARINGS.

On account of the rapid accumulation of dust and dirt in flour mills it is imperative that the best possible installation of shafting and bearings should be made unless a great additional hazard be engendered. True alignment, easy accessibility, the installation of drip cups, and, in fact, every feature which good practice prescribes, are necessary to reduce the hazards to a minimum. It is not uncommon, however, to find drip cups missing, shafting out of alignment and even wooden journals.

SPECIAL HAZARDS—CLEANING MACHINERY.

As previously stated, wheat, although it has already been passed through several cleaning machines in the elevator, is not allowed to pass to the roller mills until it has been subjected to still further treatment. Considerable purification machinery may, therefore, be found in every flour mill.

SEPARATORS.

Separators are similar to the old fashioned fanning mills but on a larger scale. A separator consists of a series of rotating sieves or screens mounted in a suitable frame with a fan attachment. Wheat is fed into the machine, being subjected to a strong air current which draws out dust, chaff, light oats, etc.; it then falls upon a series of coarse screens, which remove straw, sticks, cobs, etc.; thence over screens of finer mesh which remove corn, but allow wheat, seeds, etc., to drop through; the last screens allow the small seeds to drop through and the wheat tails over. Cyclone dust collectors are usually attached to the receiving separators, and tubular collectors to the mill separators. Occasionally separators have no dust collectors, but discharge to the outside of the building. The dust from the cyclone collectors on receiving separators is sometimes burned, but of late, instead of being used as fuel, it has been bagged and utilized for feed or fertilizer.

Cockle, often found in wheat, has the effect of cantharides, a deadly poison upon the human system. For its removal a separator with an indented cylinder is used. The grain first falls on a sieve, the large berries passing over the tail and out of the machine. The smaller grain and cockle fall through the sieve and enter the indented cylinder at the rear end. There are no holes in the cylinder, but the indentations catch the cockle and small kernals of wheat, which are carried up by the revolving cylinder, and, falling on same, roll into the spout. This machine may also be used as a grader, since only small wheat will stay in the indentations.

Grain in the preliminary stages of cleaning is oftentimes run through a separator containing magnets for the purpose of removing all nails, iron ore, bits of wire and other metallic particles, in order that same may not be carried to the rolls and a fire caused or machinery damaged by them.

SCOURERS OR SMUTTERS.

After the wheat has been cleaned of extraneous substances by separators, and the smaller kernels removed by graders, the remainder goes to the scourer, which eliminates dust, smut and rust which may cling to the wheat berry, especially lodging in the crease. Ths scourer is a polishing machine usually consisting of a vertical cylinder, the surface of which is covered with brushes, and a closely fitting iron case perforated with numerous slits or holes which serve the double purpose of making the surface rough and providing an escape for the separated dust. The grain, while being subjected to the scouring process, is acted upon by a strong air current, which sucks out all impurities detached from the wheat.

ASPIRATORS.

Where wheat is stored after scouring, before being sent to the rolls for reduction, it is sometimes passed through an aspirator for the removal of all dust that has settled upon it during storage. Air is drawn through the wheat as it passes through the aspirator, the dust being taken up and discharged by a fan.

MACHINES IN ORDER OF USE.

1. Separator. 2. Separator. 3. Upright Scourer. 4. Upright Scourer. 5. Aspirator.

The hazards of cleaning machinery are considerable, as in addition to a shafting and bearing hazard, which always exists to a greater or less degree, depending upon the rapidity with which the parts move, there is also a considerable dust explosion hazard, especially in scouring machines, since a spark struck by the machine may cause an explosion, if there is a proper admixture of air and dust at that time.

GRINDING, SIFTING AND DRESSING MACHINERY ROLLER MILLS.

As has been explained in a general way, the purpose of the roller mill is to break up the grain. Smooth and corrugated, or grooved rollers, are placed in sets of three or four, one above the other, and so arranged that the crushing effect of any one set is slight. Six or seven sets are necessary to produce the numerous grades of flour. These rollers are regulated by gears to run at different speeds. Each manufacturer of roller mills claims special features for his mill which makes the grinding more nearly perfect.

CORRUGATED ROLLS.

Experienced millers agree that the roller mill is the prime factor in securing the best results in milling. The grinding must be done uniformly on each reduction, for if the reductions are not uniformly made the bolting and purifying processes are seriously affected, no matter how well adapted to their work the bolters and purifiers may be.

DRIVING SIDE.

The hazard connected with roller mills is very slight, and they are the cause of but few fires. The hazard from grinding may be almost disregarded, but overheated bearings and friction due to a choke of stock are occasionally the cause of a fire.

The practice of heating or steaming wheat before it passes to the rolls has long since been recognized as often a necessity in successful milling. Heating wheat draws the natural moisture from inside the berry to the outside, thus to a certain degree toughening and loosening the bran. Steaming wheat has the same effect, by applying moisture to the outside of the berry. Either heating or steaming facilitates the removal of the bran, makes the bran broad and flaky and improves the color of the flour. As it is seldom that anything except steam is used in

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heaters, and this is generated at a distance in power boilers, there is very little hazard connected with these devices as long as steam pipes have ample clearance from wood.

SIFTING MACHINES.

The stock resulting from the breaks must be separated into its component parts for further treatment. Separations of this stock into flour, middlings and coarse tailings is secured by means of a variety of devices which are referred to as sifting, bolting and scalping machines. These consist of a series of centrifugal or other reels, and bolting chests or boxes, of various patterns and covered with different numbers of wire cloth and silk gauze, the numbers representing the various degrees of fineness of mesh. All sifting and bolting machinery is of two types, the revolving reel and the gyratory sieve. Both types are used extensively at different points in the milling process, but the latter type is now generally considered the better for bolting the break stocks.

BOLTERS.

Machines belonging to the gyrating type are known by such names as bolters, gyrators, sifters and plansifters, but while differing somewhat in the methods of securing the gyratory motion, they all depend upon the principle of the hand sieve. All are suspended by flexible reeds or other supporting devices, and rotated or shaken by means of some application of power. The body of the bolting or sifting chest suspended by the flexible reed is generally divided into several compartments, in which sieves of wire cloth and silk gauze are stacked one above the other, and so inclined or deflected that the stock not sifted through tails over. The sieves are cleaned by a circulation of locust seed or wheat, or by means of small independent brushes or other mechanical contrivances moving underneath the cloth.

Sifting machines of the revolving reel type have been largely supplanted by sieve bolters and sifters, but they are still used to some extent. Machines of this type have many different names, as centrifugal reels, differential reels, round reels, hexagon reels, scalping reels, flour dressers and flour blenders. They are all very similar in principle and appearance, being oblong chests in which a reel covered with suitable numbers of silk revolves slowly and sifts the flour out of the stock that is fed into the reel, the coarse part tailing over. For keeping the cloth clean there is an arrangement of bristle brushes, so suspended over the top of the reel as to rest on the cloth. The centrifugal or differential reel differs from other reels of the revolving type in that it employs various devices of beaters or wings on an axle in the centre of the cylinder, the design of which is to secure a tangential or throwing movement of the stock, instead of the sliding movement of the ordinary reel. The beaters, of various shapes, lengths and sizes, are arranged spirally about the central axle, which revolves at a much higher speed than the reel. The centrifugal reel has been found especially applicable in the handling of stock of a flat, soft or somewhat lifeless character, on which its rapid and vigorous action has a disintegrating effect. Reels are generally used to scalp the bran out of the stock that comes from the last break and to treat certain other stocks for which the sieve bolters are not adapted.

Sifting machines are responsible for but few fires, the main hazard connected with them being that of overheated bearings. As sifters and bolters are not fast running machines, a great deal of friction is not set up in their bearings. Since the sieve bolter is now commonly used instead of the reel, a great many bearings are dispensed with, as machines of this type employ fewer bearings on account of being suspended.

(To be continued in a subsequent issue.)

The Life of an Automatic Sprinkler.

(By C. R. Alling, Assistant Engineer, Underwriters' Laboratories, Inc.)

The life of an automatic sprinkler is not indefinite under any conditions, and under certain conditions it may be comparatively short. The sprinkler fire record would be even more favorable than at present were this more generally known and proper precautions taken to protect sprinklers from influences detrimental to their operation. The automatic sprinkler is generally recognized as the most effectual fire extinguishing agent yet developed, and considering all that it has to contend with in the way of faults in design, errors in construction, mistakes in installation and mistreatment in service, it is surprising that its general showing is so favorable. It is surely deserving of better supervision, care and maintenance.

The object of this article is to point out a few of the more common causes of failure of automatic sprinklers which have come under the attention of the engineers at the Underwriters' Laboratories, in the hope that persons interested may co-operate with the Laboratories toward an advance in the state of the sprinkler art, particularly that portion of sprinkler practice for which building owners and occupants are chiefly responsible.

Up to the present time no sprinkler has been designed which will prove entirely reliable when exposed to very severe loading or corrosive conditions for long periods of time. The life of some types of sprinklers is longer than others, due to their more perfect design or excellence in manufacture, thus increasing their ability to better withstand these influences. Also, the life of some types of sprinklers will be longer where there are no corrosive atmospheric conditions than other types for the same reasons. Thus it will be seen that the life of a sprinkler depends on the excellence of its design and construction, as well as upon the influence of surrounding conditions.

Some types of sprinklers were, in the early days of manufacture, made of cast iron. These were unduly susceptible to influences of corrosion, and experience soon taught the pioneers of this industry that most all parts of a device of this character should be made of metals which would be least subject to deterioration and, therefore, for the last twenty-five years, practically every manufacturer has employed brass, bronze, or some similar alloy, which will be the least affected by conditions to which an automatic sprinkler is normally subjected. At the present time there is probably not a sprinkler in service in which the more essential parts are made of any material other than bronze or some other copper-tin alloy.

Tests conducted at the Laboratories upon old sprinklers taken from the field, and having been in service for varying lengths of time, show that the greatest and the most common causes of failure, are corrosion and loading. Corrosion usually acts upon the solder, changing the chemical composition upon the surface and forming a crust. Continued exposure will sometimes entirely disintegrate the solder and weaken the members. This is especially so in the early types of sprinklers. In a sprinkler which had been in service about ten years over a dipping tank in a plating establishment, where apparently no means of protecting it from the surrounding conditions had been provided, the solder was entirely eaten away, the parts being held together by the corrosion, and the sprinkler being absolutely inoperative. Even if the releasing device had operated during a fire the distribution would have been inadequate, as the deflector had been destroyed by corrosion.

A large number of sprinklers have been tested at the Laboratories from equipments where the corrosive conditions are fairly severe, such as paper mills, stables, fertilizer plants, tanneries, dye houses, sulphite mills, aniline works, soap factories, etc. These tests indicate that no sprinkler will remain in good condition indefinitely, and that the only way in which it can be determined whether the heads are in a reliable and operative condition is to test representative samples under conditions that may be met with at time of fire. It has been found in a number of instances that although the sprinklers appeared to be in fairly good condition before the test, they were absolutely inoperative, while in other cases the corrosion appeared to be sufficient to render the heads inoperative, but upon test they were found to be reliable.

Sprinklers located in plants where they are subject to loading will become inoperative in a comparatively short time, the clogging effect of the loading being often just as effective in rendering the sprinkler inoperative as severe corrosive influences. This is evidenced by tests of sprinklers taken from various mills where they were subjected to loading from paper pulp, sawdust, drying oils, lint, caked dust from grinding processes, etc., etc. The character of the loading is somewhat different in almost all cases, varying from a thin hard crust to a thick, heavy, fibrous coating. All of these loadings tend to accomplish the same result; i.e., to clog the parts so that the releasing device cannot operate freely, if at all. One sprinkler received at the laboratories for test was a head taken from a paper mill and was entirely covered with paper pulp.

Probably one of the most frequent objections that an inspector makes in looking over an equipment is to the coating of the heads with paint or calcimine. In calcimining or painting a ceiling there is great danger of the sprinklers becoming slightly coated; and if this should occur at the soldered joint of the releasing device, the sprinkler, especially if it is one of the older types, is very liable to be in a questionable condition. Its appearance may not indicate its true worth, and its reliability can only be determined by suitable tests.

In one of the earlier types of sprinklers, which was approved quite generally, the design was such that after its operation the link could be replaced in the sprinkler as installed in the piping. This permitted a stock of fusible links to be kept on hand for

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replacements, when necessary. This led to misuse in the field; and when this supply was exhausted, or not easily found, the two arms were frequently wired together and, as a result, the sprinklers were entirely inoperative.

Another feature that was not entirely realized in the early types was the fredom of release of the caps and discs from the seats. A large number of sprinklers are in service at the present time which are open to these most important defects, and the only way in which these may be detected is by laboratory tests. In some sprinklers lead and other soft metal discs were formerly employed, and after having been in service for a short time it was found that the seat ring gradually became embedded to such an extent that the sprinkler was rendered inoperative, the cap remaining on its seat even under very high water pressures. Cases are on record where pressures in excess of 150 pounds were necessary to release the cap. Recent tests of another type of sprinkler show that the caps and block tin discs have become wedged in the discharge orifice, so that pressures in excess of 100 pounds are required to release them after the link and lever portions of the releasing device have operated. Also in this same sprinkler, the caps have released satisfactorily, but the perforated block tin discs adhered to their seats, requiring velocities produced by pressures of 150 pounds to force them off. The opening through these discs is three eighths of an inch, and as a result the water discharged is reduced about 50 per cent. under normal conditions.

From the foregoing it would appear that property owners, as a rule, need to be brought to a realization of the fact that the life of an automatic sprinkler is not indefinite. The need for replacing old, obsolete and injured heads should be constantly borne in mind. The exercise of care and intelligence in making such replacements is, of course, essential. That more and more attention is being paid to this important matter is evidenced by the constantly increasing volume of examination and test work made at the Underwriters' Laboratories on specimen heads sent in from equipments in the field. Thorough tests, such are conducted at the Laboratories, are perhaps the only true criterion on which action should be based, in the majority of cases, and as these tests are made promptly and without charge, there would seem to be no justifiable reason for depending on field tests or less thorough analytical work than the Laboratories conduct.

General Classification of Fire Losses in the United States, Amounting to $5,000 and Over, Reported in October.

Number of Fires.	Classification.	Reported Loss.
6	Railroad shops	$1,165,000
5	Railroad freight houses	672,000
2	Creameries	615,000
3	Tanneries	600,000
1	Coal shed	500,000
1	Plate glass factory	500,000
3	Newspaper plants	460,700
1	Olive warehouse	450,000
14	Hotels	425,000
1	Gypsum plant	400,000
13	Lumber plants	369,000
35	Dwellings	347,000
2	Grocery warehouses	325,000
4	Hardware stores	270,000
2	Department stores	255,000
18	Stables	237,000
2	Steamships	225,000
3	Paper mills	224,000
8	Sawmills	214,000
4	Grain elevators	205,000
1	Cotton oil plant	200,000
1	Grate and mantel factory	200,000
1	Curtain pole factory	200,000
7	Garages	182,000
2	Elevator factories	165,000
18	Farm barns	150,200
2	Woolen mills	150,000
1	Hat factory	150,000
3	Flouring mills	125,000
1	Railroad terminal	120,000
3	Whiskey warehouses	110,000
4	Planing mills	108,000
2	Churches	100,000
1	Butter and cheese warehouse	100,000
1	Cranberry bog	100,000
3	Malt houses	97,000
3	Theatres, opera houses, etc	95,000
3	Storage warehouses	95,000
6	Cotton gins	92,500
3	Cigar factories	90,000
2	Barges	85,000
2	Paper box factories	85,000
3	Oil warehouses	80,000
1	Organ factory	75,000
1	Plumbing establishment	75,000
1	Beef warehouse	75,000
1	Exposition building	75,000
3	Furniture stores	72,000
2	Oil refineries	70,000
6	General stores	67,000
1	Sanitarium	60,000
5	Apartment houses	60,000
1	Wall paper warehouse	60,000
2	Lumber box factories	55,000
3	Clothing stores	55,000
1	College	50,000
1	Zinc plant	50,000
1	Cottonseed oil warehouse	50,000
3	Chemical plants	49,000
1	Bank building	45,000
1	Carriage warehouse	45,000
3	Tobacco warehouses	40,000
2	Yachts	39,000
1	Carriage factory	35,000
1	Sugar refinery	30,000
2	Cotton storages	26,000
1	Prison shop	25,000
1	Dye works	25,000
1	Navy yard building	25,000
2	Woodworking plants	25,000
1	Public building	20,000
1	Acid refinery	20,000
1	Cracker factory	20,000
2	Mine power buildings	20,000
1	Gas works plant	20,000
2	Tenement buildings	20,000
1	Flour and feed warehouse	20,000
2	Brick plants	20,000
1	Ice house	15,000
1	Dry goods store	15,000
2	Golf clubhouses	15,000
2	Bakeries	15,000
1	Laundry	15,000
1	Roller skating rink	15,000
1	Prison building	15,000
1	School heating and lighting plant	15,000
1	Baseball grand stand	12,000
1	Boathouse and contents	10,000
1	Evaporating plant	9,000
1	Orange packing house	8,000
1	Ice plant	8,000
1	Restaurant	7,000
1	Saloon	6,000
1	Prune dryer	6,000
1	Cornmeal mill	15,000
1	City water pumping station	5,000
1	Moving picture theatre	5,000
1	Electric light plant	5,000
132	Spreading fires, with omnibus loss	5,304,361
34	Miscellaneous mercantile risks	800,500
25	Miscellaneous manufacturing risks	658,000
	Total	$20,025,261
	Add 15 per cent. for small and unreported fires	3,003,789
	Total	$23,029,050

Total number of fires reported, 474.

FIRE INSURANCE IN THE COURTS.

A Concise and Convenient Digest of the Law of Fire Insurance as It Is Being Developed and Interpreted by the Various Courts Throughout the United States.

Reported for the Weekly Underwriter by Woodhull Hay, of the New York Bar.

1. Insolvent Mutual Company—When Decree in Another State as to Liability of Member Thereof Is Not Binding.

The Union Mutual Fire Insurance Company, of Cincinnati, was declared insolvent by a competent court in Ohio. A trustee was appointed and directed to take steps to recover certain assessments alleged to be due from certain members of the company. The decree of the Ohio court fixed the amount of this liability. The trustee brought an action in New York against two members alleged to be doing business as partners. One appeared and answered, but the other was not served and did not appear. The court held that the Ohio decree fixing the defendant's liability and the amount thereof was not binding on the courts of New York.

Judgment against trustee below, here affirmed by the Appellate Division of the Supreme Court of New York.

SWING vs. MOONEY,
124 New York Supplement, 545. (September 5, 1910.)

1. Agent of Insurer—Liability of, When Company Is Believed Solvent—Rule Stated.

When an agent procures a policy in a fire insurance company which is solvent or generally believed to be so at the time, he is not personally liable for a loss which occurs when the company subsequently becomes insolvent.

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2. Same—Liability of, When Company Is Insolvent or Unauthorized—Rule Stated.

When an agent procures a policy in a company which is known to be insolvent or is not authorized to do business in the State, he may become liable for loss to the insured.

In this case it was not shown that certain statements and articles relating to the insolvency of the company had been brought to the knowledge of the agent.

Judgment for agent below, here affirmed by the Supreme Court of Washington.

BECKMAN vs. EDWARDS,
110 Pacific, 6. (September 5, 1910.)

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1. Construction of Policy—General Rule Stated.

Insurance contracts should be interpreted not only according to the language employed, but also the evident intent of the parties, and should not be construed to work a forfeiture unless it plainly appears that such was the intention.

2. Same—Application of Rule of Expression Unius Est Exclusio Alterius to Warranties, Stated.

Several clauses in a policy provided that a non-compliance therewith should work a forfeiture. Such a provision was omitted in connection with another clause. The court held the rule of *expressio unius est exclusio alterius* applied, and that therefore the latter clause did not constitute a warranty for the breach of which a forfeiture would result.

3. Same—Where the Court Will Lean When There Is Doubt as to Warranty—Rule Stated.

Where there is any doubt as to whether a stipulation is an express warranty or not, the court will lean against the construction which imposes upon the insured the obligation of a warranty.

4. Warranty—Effect of Breach of, Stated.

A breach of a warranty renders a policy void, even though the breach may have ceased at the time of the loss, where it was the intention of the parties that such breach should render the policy void whether it was a cause of the loss or not.

5. Same—Same—How Long Forfeiture May Be Predicated from Breach.

The general rule is that a violation of a condition that works a forfeiture of the policy, merely suspends the insurance during the violations.

6. Same—Effect of Word "Warranted" in Connection With Clause Relating to Care of Automatic Sprinklers.

A policy contained a clause in which it was "warranted by the assured that due diligence be used that the automatic sprinkler system shall at all times be maintained in good working order." The court held the use of the word "warranted" did not conclusively import that the clause was a warranty.

7. Same—Same—When Cessation of Breach of Said Clause Avoids Forfeiture Thereunder.

Prior to the fire the sprinkler system was out of order for a time, but it was in good working condition at the time of the fire. The court held that the prior breach did not avoid a recovery.

Judgment for insured below, here affirmed by the Supreme Court of Washington.

PORT BLAKELY MILLS COMPANY vs. SPRINGFIELD FIRE AND MARINE INSURANCE COMPANY,
110 Pacific, 36. (September 5, 1910.)

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1. Foreign Mutual Company—Power of State to Provide Terms Upon Which It May Do Business Upheld—General Rule.

The legislature of one State may dictate the terms upon which a foreign mutual fire insurance company may do business therein.

2. Same—Certain Statutes of Arkansas Concerning Same Construed in Respect of Indemnity Bonds.

Acts 1905 of Arkansas, requiring foreign mutual fire insurance companies to give annually an indemnity bond conditioned on the payment of claims on policies issued on property in the State, is, in essential particulars, the same as Kirby's Dig., Section 4339, and Acts 1905, p. 772, prescribing the conditions of the bond of foreign stock insurance companies. The liabilities of both kinds of companies doing business in this State are the same.

3. Same—What Law Governs.

The charter provisions, bylaws, and laws of the foreign State where the company was organized, do not determine the character of the policies issued on property in this State. The terms of the policy and the laws of this State are the ones that govern.

4. Same—Rights of Policyholder to Unearned Premium Upon Insolvency of Same, Stated.

The policy of the foreign company provided that insured incurred no other liability for premiums or otherwise than was expressly provided in the policy, that the policy might be cancelled by the insured, and that in such an event the unearned premium would be repaid. The policy conformed in other respects to the standard policies issued by stock insurance companies, but did not refer to the articles of incorporation or the bylaws of the company. The court held that such a policy gave the insured a right to the unearned part of the premium upon the insolvency of the company.

5. Same—Jurisdiction of Domestic Courts to Dissolve Same Denied.

The courts of this State are without jurisdiction to dissolve such a foreign company or to wind up its business, but have authority only to appoint a receiver to collect and distribute the assets of the company in this State.

6. Same—Effect of Appointment of Receiver Upon Policies of, Stated.

The appointment of a receiver of such a company for the above mentioned purpose does not *ipso facto* terminate its policies issued on property in this State.

7. Same—Same—Liability of Surety for Loss Thereafter Occurring, Stated.

A loss sustained after the appointment of a receiver in such a case is provable against the estate of the insurance company, and the surety is liable therefor.

8. Same—Attorney's Fees—Power of State to Regulate Payment of Same, Stated.

A statute allowing the taxation of attorney's fees against insurance companies is within the police power of the State.

9. Same—Same—Liability of Surety for Same Denied.

This action was brought by a policyholder in behalf of himself and others similarly situated for the appointment of a receiver. All parties in interest filed interventions and submitted to the jurisdiction of the court. No suits, however, had been instituted against the company for fire losses, until the appointment of the receiver. Certain fees were allowed the receiver and his attorneys. The court held that such fees must be paid out of the fund collected and distributed by the receiver, and that it was not proper for the court to require the surety to pay them, for the costs which a successful litigant may recover do not include fees allowed to a receiver and his attorneys.

10. Same—Same—When Intervening Policyholders Are Not Entitled to Same Under Acts 1905.

Acts 1905, p. 308, of Arkansas allows the taxation of attorney's fees against insurance companies. The intervening policyholders in this case asked for the allowance of attorney's fees as a part of their relief. The court held, however, that they were not entitled to such fees under this act, for by reason of the present facts and the nature of the action they treated the liability of the surety as an asset of the company to be collected and distributed according to the principles governing courts of equity.

Decree for insured and interveners below, here affirmed in part and reversed in part by the Supreme Court of Arkansas.

FEDERAL UNION SURETY COMPANY vs. FLEMISTER,
130 Southwestern, 574. (September 7, 1910.)

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1. Incendiarism—What Evidence Is Admissible on Question Of—General Rule Stated.

The defense in an action on a policy was that the insured was guilty of incendiarism with respect to the property insured. The proof of this was merely by circumstantial evidence. The court laid down the rule that when it is sought to prove an ultimate fact by a chain of circumstances, no circumstance should be omitted; but every one should be taken and considered.

2. Same—When Fact That Insured Was Burned Should Not Be Omitted In Such Case.

In the enumeration of the circumstances relied upon to prove the guilt of the insured, the insurer omitted to state that the insured was herself badly burnt by the fire which destroyed her property. The court held this was error.

3. Same—What Facts Justify Finding of Not Guilty of Same.

It appeared by the evidence that the insured was seen by her neighbors in her nightdress, afire, running and screaming from her burning building to the fire alarm, which she turned on to call the fire department. She was in fact badly burned, and satisfied that she discovered the fire by being awakened, after she had retired for the night, by her lower limbs being burned by the fire from the bed upon which she slept. The jury found her not guilty of the charge of incendiarism. The court held the finding justified.

4. "Actual Value"—Meaning of Stated.

The meaning of "actual value" is the same as "salable value" and "cash value," which is measured by the amount of cash into which the property can be converted. In

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other words it means the usual selling price at the place where the property to which the term is to be applied is situated at the time its value is to be ascertained.

5. Gifts to Insured—Same Are Covered by Policy.

Certain items of property were given to the insured. The court held them covered by the policy.

6. Same—How Their Value Is Proved.

Proof of the value of gifts at the time of the fire, in the absence of anything tending to show that such value exceeded the value of such items at the time they were presented to the insured, is sufficient.

7. Verdict Against Two Companies—How Apportioned—Garnishment Proceedings.

A creditor of the insured brought garnishment proceedings against two insurance companies. The insured intervened in these proceedings, claiming that the companies owed her more than she owed the creditor. She asked for judgment for the excess. Each company had insured the same property of the insured in the sum of $2,500. The jury returned a verdict against the companies for $5,000. The court held that while the verdict did not expressly apportion the amount, an equal amount against each company was clearly implied.

8. Arbitration—What Award in Lump Sum Is Not Inadmissible.

According to provisions in a policy, a disinterested appraisal was to be had, under certain circumstances, showing separately the sound value and loss. The award of such an appraisal showed one lump sum as sound value and another lump sum as loss. The insurers were represented before the appraisers and did not suggest any non-compliance until the trial. Moreover, they appeared to have fully understood the award. The court held the award not inadmissible in a suit on the policies.

9. Same—Binding Effect on Insurer Stated.

An award binds the insurer, especially when the policy provides for arbitration in case of disagreement.

10. Instruction to Jury—What Instruction Concerning a Compromise Was Properly Refused.

An issue in the case was the question whether the agent of the insurer who agreed upon the compromise acted within his authority or scope of apparent authority. The court was asked to instruct the jury that the compromise relied upon by the insured had not been shown to have been made by insurer's authority and should not be considered by the jury. The lower court refused so to charge. The present court held the ruling to be correct.

11. Same—What Instruction Concerning Goods Not in House Was Properly Refused.

The lower court had already instructed the jury that it must find that all the property in the proof of loss was in the house at the time of the fire and was destroyed. The court was then asked to charge that insured could not recover for articles stolen or not in the house at the time of the fire. The lower court refused so to charge. The present court held this correct.

12. Same—Same—General Rule Stated.

An instruction substantially covered by one already given is properly refused.

13. Theft of Property—Where Burden of Proof Lies.

The policy contained a clause exempting the insurer from liability for loss caused by theft. The court held that the burden of proving loss from such cause was upon insurer.

Judgment for insured below, here affirmed by the Court of Civil Appeals of Texas.

MILWAUKEE MECHANICS INSURANCE COMPANY VS. FRASCH, 130 Southwestern, 600. (September 7, 1910.)

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1. "Increased Hazard" Clause—When Question Whether Hay Increases Hazard Is for Jury.

A policy contains a clause rendering it void if the hazard be increased by any means within the knowledge or control of the insured. It appeared that prior to the fire ten or fifteen bundles of hay had been left on the gallery of the insured building. It had been thrown there from a wagon and left because storage room was lacking at the mill. It was to remain merely till another trip could be made from the mill. How long it remained, however, did not appear. The court held that it could not be held as matter of law that this constituted a breach, but that the question must be submitted to the jury.

2. Interest—When Same Does Not Begin to Run Until Sixty Days' Period Is Over.

The policy contained a clause providing that the insurer should not be liable until sixty days after proof of loss. The court held that interest did not begin to run until the expiration of sixty days after receipt of proof of loss.

Judgment for insured below, here reversed and remanded for new trial by the Court of Civil Appeals of Texas.

HAMBURG-BREMEN FIRE INSURANCE COMPANY VS. SWIFT, 130 Southwestern, 670. (September 7, 1910.)

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1. Waiver of Conditions by Agent—When Provision Against Same Does Not Relate to Matters After Loss.

A policy contained a clause providing against the waiver of certain conditions by the agents of the insurer. The court held that this clause did not relate to matters to be performed after the loss.

2. Proof of Loss—Power of Agent to Waive Same by Conduct Stated.

Acts or conduct by the insurer, or its agents, which mislead the insured and induce him to believe that no proof of loss is necessary, or that such proof would be ineffectual if tendered, constitute a waiver of such proof.

3. Same—Same—What Actions by Agents Constitute Waiver Of.

The insured was suspected of having started the fire. After the loss the adjuster inspected the premises and requested the insured to meet him and a representative of another company at the latter's office. The latter told the insured to make out a list of the furniture destroyed, and the adjuster said he would communicate with the insured later. Later the insured was required to make a statement to a fire marshal. The adjuster again told the insured he would hear from him. The court held that the insured, by reason of the above words and conduct, had every reason to believe that nothing more would be required of him, and that a proof of loss was therefore waived.

4. Policy—When Same Is Binding Though Not Read by Insured.

In the absence of fraud or mistake one is bound by his contract, though he has not read it, and is not familiar with its terms.

5. Conditions in Policy—What Rider Waives Breach of Same—"Sole Ownership" Clause.

The policy contained a clause rendering it void if the interest of the insured was not truly stated or was other than sole and unconditional ownership. The policy was issued to the insured alone, and no mention was made of a mortgage. In fact, the property was owned by the insured and his wife, and there was a mortgage. But there was a rider making the loss payable to the insured "as interest may appear." The court held that the rider waived the breach of the conditions in the policy.

6. Same—Same—What Evidence of Notice of Denial by Insurer of Liability Is Immaterial.

When the issue is raised of waiver of breach of conditions in a policy, the question of whether the insured had notice of a denial of liability by the insurer is immaterial.

7. Condition as to Occupying Premises—What Permission to Complete Construction of Building Waives Same.

The policy contained clauses requiring the premises to be occupied and constituting warranties of such occupancy. When the policy was issued the buildings were not yet completed, but permission was granted to finish them. The fire occurred before such completion. The court held that the permission constituted a waiver of the said clauses.

Judgment against insured below, here reversed and new trial granted by the Court of Appeals of Maryland.

BAKHAUS VS. CALEDONIAN INSURANCE COMPANY, 77 Atlantic, 310. (September 8, 1910.)

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1. Proof of Loss—What Denial of Liability by Insurer Waives Right to Object to False Statements in Same.

In May the insured assigned his policy and sold his goods to the plaintiff in this action. The consent of the insurer was indorsed on the policy. The fire occurred in August. In September the plaintiff notified the company of the fire, and made out and forwarded formal proof of loss. The proof stated, "I was the owner of the entire property covered by said policy." The company replied denying all liability on account of "no notification having been given us as to the real ownership of the property insured," and added, "we hold the proofs subject to your order." The court held that by refusing the proof the company waived the right to rely upon it or its representations, and waived the objections thereto which might otherwise have been made.

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2. Same—What Refusal of Settlement by Insurer Waives Same.

If an insurer refuses settlement on the ground that the policy was not in force at the time of the fire, such refusal relieves the insured from the necessity of furnishing the formal proof of loss.

Judgment for insured below, here affirmed by the Supreme Court of Nebraska.

HAVLIK vs. ST. PAUL FIRE AND MARINE INSURANCE COMPANY, 127 Northwestern, 248. (September 9, 1910.)

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1. Action on Policy—When Policy May Be Admitted in Evidence.

Where the policy is set out in the declaration according to its legal effect, it is properly admitted in evidence.

2. Proof of Loss—General Rule as to Validity of Clause Providing for Same Stated.

A clause in a policy provided that the insured within thirty days after the fire, unless such time is extended in writing by this company, shall render a statement to this company. * * stating the knowledge and belief of the insured as to the time and origin of the fire, the interest of the insured. * * the cash value of each item thereof, and the amount of loss thereon. * * " The court held that these requirements formed part of the contract, were binding on both parties and must be complied with unless waived.

3. Same—What Allegations of Fact Do Not, Even if True, Relieve Insured from Duty to Furnish Proof of Loss.

The insured asked for an instruction to the jury to the effect that he was entitled to a verdict when he had proved that he had given reasonable notice of loss, that the value of the property insured was greater than the total amount of insurance and that there was a total loss. The court held this erroneous, for the provision regarding proof of loss must also be complied with.

4. Same—What Actions by Insurer Warrant a Finding That Same Have Been Waived.

The fire occurred June 5, 1907. A notice dated June 8 was sent and received by the insurer. On July 30 the counsel for the insured wrote to the insurer about a proposed arbitration. On August 5 the proof of loss was mailed to the company. No word came from the latter in reply to the last letter or to the proof of loss, so on October 14 the counsel again wrote to the company. To this letter the president of the insurer replied in a mere formal note, promising to take the matter up "after the election." No further word came from the company, so on January 2, 1908, the counsel again wrote to the company. Then on January 3, for the first time was anything like a statement received from the insurer; on that date the president answered and stated that "There is no proof of loss submitted * * according to the terms of its policy." The court held there was ample evidence to constitute a waiver of proof of loss.

5. Same—Same—What Evidence of Insured Is Admissible on Question of Waiver.

An officer of the insured was asked whether he had received any complaint from the company that the paper sent as proof of loss was not correct or sent in in proper time. He replied that he had never received any communication at all on the subject from the company. The court held that this evidence was competent.

6. Same—Same—What Correspondence Between Counsel of Insured and Insurer Is Admissible.

The court also held that the correspondence above mentioned between the counsel of the insured and the insurer was competent.

7. Same—Same—What Tardy Proof of Loss Is Admissible.

The court held that where the insured contends that the prompt filing of proof of loss has been waived, the proof of loss which was actually sent, though too late, is admissible in evidence.

8. Same—Same—General Rule Stated.

Where an insurer does that which is inconsistent with an intention to insist on a strict compliance with the conditions precedent of the contract, it will be treated as having waived their performance.

9. Interest of Insured—What Failure to Disclose Mortgage Does Not Constitute Breach of Clause Concerning Same.

A clause contained a provision that the policy should be void if the interest of the insured in his property was not truly stated. In fact, there was a mortgage on the property, but this was not stated. The court held the failure to disclose the mortgage did not render the policy void under the said clause.

10. Total Loss—Liability on Policy Where Value Exceeds Total Insurance.

The property was a bridge whose value was $26,000, but whose total insurance was $15,000, of which the present defendant carried only $3,000. There was a total loss. The court held that under a finding of such facts it was proper to direct a verdict for the full amount of the policy with interest.

Judgment for insured below, here reversed by the Court of Appeals of Maryland.

CITIZENS MUTUAL FIRE INSURANCE COMPANY vs. CONOWINGO BRIDGE COMPANY, 77 Atlantic, 378. (September 15, 1910.)

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1. Action on Policy—What Variance Between Pleading and Proof Is Immaterial—General Rule Stated.

The general rule is that the allegations must correspond with the proof. This rule is intended to answer the double purpose of distinctly and specifically advising the opposite party of what he is called upon to answer and of preserving an unerring record of the cause of action as a protection against another preceeding based upon the same cause. However harsh and technical may have been the application of this rule at common law and in earlier times, it is now undeniably true that only substantial and material variances will be regarded.

2. Same—Same—Example.

The policy insured "to the amount of $595"; whereas the declaration of the plaintiff stated that it insured "for five hundred and ninety-five dollars." The court disregarded the variance.

3. Same—When Insured Cannot Recover for Items Omitted.

The policy covered personal property and set out in detail the articles insured and the insured value of each. The court held that any recovery in this action would bar a future recovery for any article destroyed or damaged by this fire, though inadvertently not claimed or allowed in the suit.

4. Same—When Application Is Admissible in Evidence.

The court held that as the policy declared the application to be a part of the policy, and as the policy was sufficiently described as above stated, the application was properly admitted in evidence.

5. Same—When Proof of Loss Is Inadmissible.

The proof of loss aggregated $515, whereas the testimony on the trial showed only a loss of $362. The proof of loss was admitted generally and without any restriction, the jury being left to consider it as proper evidence. The court held it not properly admitted, because the insured should not thus be allowed to furnish evidence in his own behalf, where no opportunity for cross-examination is possible.

6. Same—Same—When Such Admission Is Ground for Reversal.

The jury found a verdict of $610.50, which was the exact sum of $515 and interest to the day of trial. The court held it was reversible error to admit the evidence, as it was apparent that the verdict was founded upon it.

7. Same—When Letters of Insurer Are Admissible on Plea of Non Est Factum.

The insurer pleaded *non est factum*. Letters from the company to the insured were admitted in evidence, each containing an explicit admission that the insured held the policy sued on. The court held the admission proper for the purpose of showing that the policy was the deed of the defendant.

8. Same—When Evidence That Premium Note Had Not Been Returned to Insured Is Admissible on Question of Payment.

The insurer sought to avoid liability on the ground that the interest on a premium note had not been paid. The court held that on this issue evidence that the premium note had not been returned to the insured was admissible.

9. Same—Same—What Other Evidence on Same Question Is Inadmissible.

A member of the firm constituting the agents of the insurer was asked the following question as bearing on the issue of payment of interest: "What course is pursued when a person comes into your office to pay insurance; how do you proceed? If you make any entries tell how you make them—and if you do anything with the cash, what do you do with it?" etc. The court held that it could not sanction proof of a disputed question as to what was done by proof of what should have been done or was customarily done in a given case.

10. Same—Same—What Evidence of Domestic Troubles Is Inadmissible on Same Question.

The court held that proof concerning domestic troubles between husband and wife was inadmissible on the issue of whether he had paid his interest or not.

Judgment for insured below, here reversed by the Court of Appeals of Maryland.

MUTUAL FIRE INSURANCE COMPANY vs. RITTER, 77 Atlantic, 388. (September 15, 1910.)

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1. Acknowledgment of Payment of Premium—Constitutionality of Code of South Dakota Concerning Same Upheld.

Section 1849 of the Civil Code of South Dakota provides: "An acknowledgment in a policy of the receipt of premium is conclusive evidence of its payment, so far as to make the policy binding, notwithstanding any stipulation therein that it shall not be binding until the premium is actually paid." The court held the section to be constitutional.

2. Same—Application of Said Section to Mutual Companies Declared.

Section 1796 of said code provides: "All kinds of insurance are subject to the provisions of this chapter." The court held that mutual companies were as effectively bound by the provisions of Section 1849 as were companies organized upon any other basis.

Judgment for insured below, here affirmed by the Supreme Court of South Dakota.

PEEVER MERCANTILE COMPANY VS. STATE MUTUAL FIRE INSURANCE COMPANY,
127 Northwestern, 599. (September 16, 1910.)

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1. General Agent—Who Is Such.

A policy contained a clause providing that a person who solicits insurance, issues policies, or procures applications, shall be considered the general agent of the insurer. One who solicits a policy is well within the letter of this clause.

2. Same—What Knowledge by Same of Other Insurance Is Imputable to the Insurer.

The agent who solicited the policy knew there was other insurance on the property. The court held that this knowledge was properly regarded as the knowledge of the insurer.

3. Other Insurance—What Failure to Cancel Policy After Knowledge of Constitutes a Waiver of Same.

A policy contained a clause providing that the insurer should promptly cancel the policy upon obtaining knowledge of facts rendering it void. The court held that a failure to cancel the policy after having knowledge of other insurance, or the issuance of the policy with such knowledge constituted a waiver of its right to regard the policy as void.

4. Increased Hazard—When Mortgage Is Such Under Standard Policy.

The standard policy of South Dakota contains a clause rendering the policy void if the hazard is increased by the insured. The court held that a mortgage placed upon the property by the insured was within the purview of this clause.

5. Other Insurance—When, Under Laws of South Dakota, Insurer Must Pay Face Value of Policy and May Not Prorate.

There was other insurance on the property, but of this the insurer had knowledge. The subject of insurance was real estate, a frame building. The Session Laws of 1905, Chapter 126, provide that the amount of insurance written in a standard policy on real property shall be taken conclusively to be the true value. There was a total destruction. The insurer contended that its liability was limited to a prorata division by reason of Sections 1877 and 1878 of the Civil Code. The former provides: "A double insurance exists where the same person is insured by several insurers separately in respect to the same subject and interest." The latter provides: "In case of double insurance the several insurers are liable to pay losses thereon as follows: (13 In fire insurance, each insurer must contribute ratably toward the loss * *." The court held that the standard policy in South Dakoto was a strictly valued policy as to real estate when the same was wholly destroyed, that the value of the real property on such total loss was conclusively fixed by the total of all the insurance thereon written, viz., the amount of the policy and concurrent insurance, that the total amount of the loss was the sum total of the insurance, and that of this loss each insurer must pay the amount of his own policy, no more and no less.

Judgment for insured below, here affirmed by the Supreme Court of South Dakota.

LAWYER VS. GLOBE MUTUAL INSURANCE COMPANY,
127 Northwestern, 615. (September 30, 1910.)

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1. Conditions of Policy—When Failure to Allege Performance Thereof by Insured Renders Complaint Demurrable.

The contract of insurance provided that after the loss (by hail) the insured should mail a written notice by registered letter to the home office within forty-eight hours, giving a description of the land, the date on which the loss occurred, and the number of the policy. Then followed provisions regarding appraisal and the course to be adopted by the insured if an estimate by the company's adjuster was not received in a certain time. It was not averred that the insured had complied with these terms. The company demurred to the complaint, and the demurrer was sustained in the court below. The court here affirmed the lower ruling.

2. Same—Same—Effect of Such Failure on Right to Bring Action.

The above provisions relate to acts that must be performed by the parties as a part of the contract, and have no relation to the bringing of a suit, but to the ascertainment of the amount of damage or compensation agreed or undertaken to be paid.

3. Time Within Which to Bring Action—Effect Upon Clause Concerning Same of Constitution of Oklahoma.

Section 9 of Article 23 of the constitution of Oklahoma provides that "any provisions of any contract or agreement, express or implied stipulation for notice or demand otherwise than as may be provided by law as a condition precedent to establish any claim, demand or liability, shall be null and void." The court held that the obvious intention of this provision was to prevent the abridging of the time within which rights under the law may be enforced, and also to prevent any notice being required after a breach of a duty imposed by law as a condition precedent to maintaining an action therefor.

Judgment against insured below, here affirmed by the Supreme Court of Oklahoma.

GRAY VS. RELIABLE INSURANCE COMPANY,
110 Pacific, 728. (October 3, 1910.)

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1. Set of Books—What Is Sufficient Compliance With Clause Providing For.

A policy contained a clause providing that "the assured will keep a set of books, which shall clearly and plainly present a complete record of the business transacted, including all purchases, sales and shipments of such stock both for cash and credit." The court held that the books need only be such as would fairly show these matters to a man of ordinary intelligence.

2. "Iron Safe" Clause—What Keeping of Books on Counter or in Drawer Is a Breach Of.

The policy also contained a clause providing that "the assured will keep such books * * securely locked in a fireproof safe at night, and at all times when the building * * is not actually open for business; or failing in this, the assured will keep such books * * at night, and at all such times, in some place not exposed to fire which would ignite or destroy the aforesaid building." It appeared that the insured did not keep the books in a safe, but on a counter or in drawers in the buildings covered by the policy. The court held this was such a breach as avoided the policy.

Judgment for insured below, here reversed and remanded for new trial by the Supreme Court of Oklahoma.

GERMAN-AMERICAN INSURANCE COMPANY VS. FULLER.
110 Pacific, 763. (October 3, 1910.)

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1. "Sole Ownership" Clause—What Delivery of Deed Is Not a Breach Of.

A policy contained a clause rendering it void "if the interest of the assured be other than unconditional ownership, or if the subject of insurance be a building on ground not owned by the assured in fee simple * * or if change * * take place in the interest, title or possession of the subject of insurance." The insured had taken steps to sell his property to the United States Government for a Federal building. In pursuance of this purpose he had delivered to a United States district attorney a deed running to the United States, and abstracts of title, under a contract to sell the same. The sale, however, was not to be binding until the approval of the attorney general had been given. The fire occurred after the above delivery but before said approval. The court held the clause not thereby broken.

2. Value of Property—How Affected by Existing Contract of Sale.

The court held that the measure of the loss was the reasonable value of the property and not the value considered in connection with the above contract of sale to the United States.

Judgment for insured below, here affirmed by the Court of Appeals of Kentucky.

GERMAN FIRE INSURANCE COMPANY VS. DUNCAN,
130 Southwestern, 804. (October 12, 1910.)

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West Virginia Insurance Report.

(*Continued from page 372.*)

methods employed in transacting business. It is believed, however, that it would be unwise for one State to attempt radical reform in the way of regulation, but to be effective there should be uniform legislation on this subject, and there are bright prospects of a satisfactory agreement on a uniform bill being reached at the next annual meeting of the insurance commissioners. There has been some agitation for State rate making, and the States of Texas and Kansas have enacted measures which vest the power of rate making in the State, but the laws are yet classed as experimental, and it is the recommendation of the Insurance Commissioner that West Virginia can well afford to await the result of the operation of the law in the States where the experiment is being made.

Miscellany.

Another Fraternal's Unsafe Methods Exposed.

The report on the joint examination by the New York and Massachusetts insurance departments of the fraternal beneficiary society known as L'Union St. Jean Baptiste d'Amerique of Woonsocket, R. I., was on Thursday filed in such departments. The examination was conducted by these States for the reason that the laws of Rhode Island give the Insurance Commissioner of that State no power to examine insurance societies of this character.

Conditions developed show gross irregularities in the management of this society, which have led the examining departments to bring the facts to the attention of the attorney general, who is the prosecuting officer of Rhode Island, and, it is thought, again emphasize the necessity of making applicable to fraternal beneficiary societies that rigorous supervision required by statute over all stock and assessment insurance companies.

L'Union St. Jean Baptiste d'Amerique was incorporated in Rhode Island as a literary society in 1900, admitted to do business in Massachusetts in 1901 and in New York in 1906, and, at the present time, in addition to such States, is operating in Maine, Vermont, New Hampshire, Connecticut, Illinois and Michigan. It has at present 305 councils, approximately 25,000 members and $9,131,000 of insurance in force. Its membership is, to a considerable extent, composed of French Canadian residents of those States. Its assets, at the time of the examination, aggregated $362,485, and the excess of assets for the protection of members in lieu of a policy reserve was found by the examiners to be $263,919.

The examiners conclude that, while the society is perfectly solvent, there has been negligence and misconduct on the part of some of its executive officers and that a portion of its estate and effects has been wasted or lost. They call particular attention to the shortage chargeable to Secretary J. Ad. Caron, amounting, on June 30 last, to $3,284, which, however, has been in part made up; to a shortage in the mortuary fund, amounting to at least $12,574, due to a falsification of the returns from the councils, and recommend that the persons responsible for these shortages should be compelled to make restitution. The report also notes large investments in realty and in demand notes contrary to the insurance laws of Massachusetts and New York; the making of false annual statements to such States, and neglect of duty on the part of the officers of the society.

Mention is also made of a systematic falsification of records during the past two years; of the issue of policy contracts not permitted by the laws of New York and Massachusetts; of disproportionately large investments in realty, and of unauthorized loans on promissory notes without collateral—these investments alone representing nearly two-thirds of the total assets of the society.

As a condition to the further conduct of business in Massachusetts and New York, the insurance departments of those States have required that the executive board of the society be summoned in special council to consider the condition of the society as shown in the report, that steps be taken to guarantee in the future an efficient system of accounting so as to safeguard receipts and disbursements, that all moneys abstracted from the funds of the society be at once replaced, that steps be taken to sell all real estate excepting the home office building, that all demand notes be called in, that expenses be cut down, that all forms of insurance contracts not authorized by the laws of New York and Massachusetts be discontinued, and that—to the end that such departments may be fully informed as to the conduct of the society—monthly reports be made to the departments of these States until further notice.

The departments are informed that the secretary of the society has resigned, and that his resignation will be acted upon at the meeting of the executive board to be held on November 8.

Fire Insurance Practices in Continental Europe and Particularly in France.

Mr. A. D. Robertson, of the Insurance and Actuarial Society of Glasgow, has contributed to the transactions of that society a paper reviewing the practices in vogue in the fire insurance business on the Continent of Europe. We find in the *Chronicle*, of Montreal, a summary of Mr. Robertson's paper, from which we make the following interesting extracts:

Fire insurance on the Continent of Europe is carried on in the main by proprietary companies whose general organization does not essentially differ from British offices. There exist, however, alongside these proprietary companies, powerful mutual concerns, some of a local or exclusive risk character, but others operating over the whole field of the country to which they belong. In some European countries also there are insurance institutions carried on by the state or by municipal or other authorities. In several cantons of Switzerland the insurance of all buildings with the state is obligatory, in others it is permissive; in Germany, in Denmark, in Norway and in Sweden insurance by public authorities is also in force and is generally of a compulsory character, while in France the question of a government monopoly of insurance was recently given prominence to in a Ministerial program. With the exception of France, Denmark, Belgium and Holland, some of the smaller Balkan states, Turkey and Greece, every European country now requires a substantial deposit in cash or securities before a foreign insurance company can commence operations, and in some countries there exist insurance inspection departments. Speaking generally, rates in Continental Europe are low, particularly for the ordinary non-hazardous classes of risks, a fact attributed by Mr. A. D. Robertson, in the Transactions of the Insurance and Actuarial Society of Glasgow, to the competition of the mutual companies, which are worked on low expense ratios and have large reserve funds accumulated over a long period of years.

It is a characteristic of fire insurance in Europe that the widest divergencies from English practice are to be found in France and in the Latin countries, whose history France has helped to write. In the European countries where Teutonic characteristics prevail a line of practice has been evolved not very different from the English.

The French policy forms are typical of the forms in use in practically all the western countries of Europe. * *

DISCOUNTING COMMISSIONS.

Arising out of these long term policies there has grown up a system of competition by commission inducements. It is now the universal practice on the part of French offices, and those foreign companies who aim at doing a general business in France, to discount commissions on all except the heavier hazards; that is to say, to pay in cash on the signing of a policy the whole or an important part of the commission which is due on the whole of the annual premiums payable under the contract. In Paris, the paradise of the insurance broker, the whole commission is paid in advance at the rate of 25 per cent. per annum, sometimes at 30 per cent., which means that the commission on a ten years' contract amounts to 250 or 300 per cent. of the first year's premium; that is two and a half or three years' premiums. In the provinces the custom is to pay, the first year, a portion of the commission equivalent to one or one and a half years' premium in the smaller towns, up to two years' premium in the chief provincial centres, together with an annual commission of 10 or 15 per cent. on the premiums as collected. Nominally the agent is responsible for a refund of commission if the policy lapses before maturity, but this is rarely exacted if the cancelment takes place after five years' premiums have been paid.

POSITION OF THE FRENCH AGENT.

As regards organization, in France branch offices are unknown. Apart from their head offices, situated in the case of all the stock companies of any importance in Paris, the companies have no premises of their own, the business in the provinces, and even in the immediate surroundings of the capital, being carried on by agents. The practice is to allocate to each agent a certain

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district, of which he has a monopoly, and which he exploits as best he can. In the case of the larger towns an insurance agency is a lucrative position much sought after. In such circumstances the agent devotes himself entirely to insurance business, and, in many respects, fulfills the duties of a branch manager. He has full power of attorney, issues his own policies and renewal receipts, and generally manages the business of his agency under the general supervision of a divisional inspector. At the same time he occupies his own office and employs his own staff, and to a certain degree has a proprietary interest in the business of the agency. The agent employs, for the proper exploitation of his district, sub-agents in all the smaller towns and villages, who are entirely under the control of the chief agent, who, in turn, is solely responsible to the company, not only for the cash actually collected, but, what is sometimes a more serious responsibility, for the return commissions on business cancelled before maturity. There is no rule against rebating, and there is reason to believe that the large sums obtained in the way of discounted commissions are more often than not shared with the insured. In Paris, in fact, it has become an established practice to give the insured his first year's premium free, and if a client goes direct to the company, which seldom happens, the company will readily give him a year's insurance for nothing and cases have even been known where a few hundred francs in cash have been thrown "into the bargain"!

INDIVIDUAL RESPONSIBILITY OF THE INSURED.

By the Code Napoleon considerable responsibilities are thrown upon the individual in the matter of fires. To secure complete protection the owner of a building requires to cover (1) the building, (2) loss of rent, (3) responsibility for tenants' furniture (if let) or contents (if he occupies it himself), (4) neighbors' risk. A tenant requires to cover (1) his risk toward the landlord, amounting, if sole tenant, to the entire value of the building, or, if partial tenant, to 15 times the rent plus (if he is a careful man) a further sum on supplementary risk; (2) his risk for rents; (3) his own property, (4) neighbors' risk; Damage from lightning, gas, infernal machine and boiler explosions may all be included in the policy generally on payment of extra premiums, so that the average Frenchman approaches the drawing out of his insurance policy with a considerable feeling of seriousness. Seldom is a policy drawn out without the intervention of a broker—at any rate in the cities.

Fraternal Insurance Conditions as Viewed by the Wisconsin Department.

In his annual life insurance report Commissioner Beedle of Wisconsin views the fraternal situation thus:

The fraternal situation remains practically unchanged. A number of societies are increasing their membership rapidly, while others are losing members and facing ultimate dissolution, due to increased assessments that must come with advancing age, where no adequate reserve is provided during the early years of the policy.

Most of the societies are accumulating some funds in excess of current cost which they designate "reserve fund," "guarantee fund," etc., but it should be strictly understood that such funds as they now exist offer no security or guarantee that the claims will be paid at death. Some societies realize this fact and are making strong efforts to adopt adequate rates.

The amount of insurance in force in the sixty-two societies licensed to do business in this State at the beginning of the year was $5,878,923,209.26. At the end of the year the amount in force was $6,201,495,548, an increase during the year of 5.48 per cent. The number of members at the beginning of the year was 4,228,552. At the end of the year the number was 4,510,069, an increase of 6.65 per cent. A tendency that is noticeable in these figures is the decrease of the average policy in force. The average policy in all the societies decreased from $1,390 to $1,375, a decrease of $15 during the year. This decrease is even more marked among some of the larger orders. In the Modern Woodmen of America, the average policy decreased from $1,609 to $1,592 or $17. In the Royal Arcanum, the average policy decreased from $2,068,50 to $2,030.70, or $37.80. The societies reporting to the department collected during the year, $69,666,482.22 from members, $2,964,773.66 from interest and rents, $270,288.54 from sale of lodge supplies, and $690,146.29 from all other sources. Of this amount, $176,639.75 was returned to applicants, thus leaving a total net income of $73,415,050.96. They paid for losses and benefits during the year $50,581,876.25, for expenses of management $9,715,367.71, and $441,143.47 for other purposes, making total disbursements of $60,738,387.43. This leaves an addition to assets for future use of $12,676,663.53. This excess of over twelve and one-half million dollars represents an overcharge which should be kept as a reserve for future losses and contingencies. On the success with which they are able to account for this fund, will in a large measure depend their future. The accumulation of a fund may not be a difficult task, but the proper accounting for this fund so as to do justice to the members is quite another problem. It is safe to say that if an inventory could be taken of the amount contributed and the amount received in the form of protection to the individual members, some glaring discrepancies and inequalities could be shown. It may be said that it is permissible in fraternal societies on the ground that strict accounting on equitable lines is not a part of the fraternal system; that the spirit and principles of fraternity, mutuality and brotherly love, etc., take the place of equitable accounting, etc. If this be true, then it becomes a maxim that inequalities and crudities must be retained as a part of the fraternal system. If the inequalities could be so directed as to favor the weak and needy members, then the objection would lose much of its seriousness, but that is not the case. The ever alert and well to do will continue to pay their assessments as long as they are receiving protection at less than cost, while the poorer classes, who are less alert, will pay the cost of their own insurance and also the deficit of those who are paying too little. There has been much agitation in late years about the enactment of laws to compel the societies to

ADOPT ADEQUATE RATES.

Upon this question it may be said, without fear of contradiction, that the State of Wisconsin is somewhat in advance of most other States. A law was passed in 1907 providing that no new societies should be organized in the State and no new societies admitted from other States unless they charge premium rates at least as high as those deduced from the National Fraternal Congress table of mortality and 4 per cent. interest. The societies which were licensed at that time, however, were permitted to continue on the old basis. Since the passage of that law no new societies have been organized in the State, nor have any been admitted from outside. A number of societies in the State have taken steps to adjust their rates on adequate as well as equitable lines, and the department has taken the stand that more can be accomplished by voluntary conferences with the officials by indicating to them what can be done, as well as what ought to be done to make their societies permanent and to make their insurance equitable, than in any other way, and it is not felt that compulsory legislation is needed.

In our conferences with the societies, an effort has been made to show the necessity of making the rates ample to protect them against unforeseen contingencies. It is impossible to adopt any mortality table that will be in exact accord with the mutual experience of any society, and for this reason an adjustment must be made by crediting the overcharge and surplus earnings arising from the excess interest and savings in mortality. The keeping of such accounts is comparatively simple and can be mastered by any clerk of ordinary ability with a little guidance from a competent actuary. Especially is this true when the societies adhere to what is simple and fundamental in their policy contracts.

There is a difference between fraternal insurance, when conducted in the manner here outlined, from that of old line insurance; namely, in the adjustment of the loading for expenses. The well-nigh universal method of assessing the expenses in old line companies is to add a flat percentage of the net premium with some slight modification in some instances. This results in excessive amounts being collected at the higher ages while the expenses actually incurred in handling the policies at the higher ages is not materially greater than that at the younger ages. The fraternal societies have some very

IMPORTANT ADVANTAGES

in that they can secure business at less cost than the old line companies. The lodge system which is in vogue in all of them makes soliciting particularly easy, and the matter of keeping the members from lapsing largely takes care of itself.

Some opposition has been expressed against the plan of issuing policies with surrender values, on the theory that the amount contributed by the members should, in case of lapse, be confiscated to those who remain. We are not aware of any law, either statutory or moral, that would justify the confiscation of the entire reserve, even on an ordinary life policy, for the benefit of those who remain when a member may cease the payment of premiums, perhaps through no fault of his own. It brings to mind the agitation which was carried on in the time of Elizur Wright, when the old line companies confiscated the entire reserve in case of lapse. By the adoption of the standard of solvency in 1858, a method was de-

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vised for finding the policy values or equities, and the law of 1861 which followed as a natural consequence made it obligatory on the old line companies to grant surrender values in some form, on the ground that it was unjust to confiscate the reserve when the policyholder ceased to pay premiums. The department has therefore advocated the granting of surrender values in the form of extended insurance at least, and paid-up policies in case the societies so provide in their contracts. The attorney general has held that the adjustment of values in that manner is in accordance with the laws of the State.

Through the Company's Eye.

(*Fireman's Fund Herald.*)

The words "and additions adjoining and communicating therewith," or the words "and additions attached to and forming a part of said building," inserted in policies after the word "building," cause much friction in adjusting, and cost much money in settling losses.

The intention of the underwriter to confine his risk to the "building" as described, is clearly stated by using the plain and simple word "building," as it is well known that the word building applies to a single structure and includes from outside to inside, from front to rear, and from basement to roof; but when "additions" are mentioned in the policy, the definition is not plain and simple, and the impression is given that there are other buildings included in the risk.

This impression is reasonable, as the insured does not know anything about the form of an insurance contract; he bargains with the insurance company (the agent) for insurance on his property to the amount of $..... at a premium of $..... accepts the policy and supposes that his property is insured. The agent fails to ask him about his warehouse, attached to his store building by a board fence; or about his summer kitchen connected with his dwelling by a board walk; also fails to place separate sums on this connected property and to get a premium therefor.

The risk is reported by the agent, accepted by the office, and everything is lovely until the warehouse or summer kitchen burns. The adjuster then denies liability; but the claimant's lawyer calls attention to the numerous decisions against the companies in similar cases, and the loss is finally paid, but because of the delay the agent is disgruntled; the insured, having paid a fee to a lawyer to get his rights, is dissatisfied; and there is a general mix-up, all because the companies indulge in glittering generalities, instead of sticking to plain, simple English.

When this class of claims formerly went into court (they are paid now without talking back), the court held that as the "building" was properly described without the words "additions adjoining and connecting therewith," or the other phrases used in such forms, that the companies must have intended to cover in or on the other buildings belonging to and used in connection with the "building" described in the policy; or that if they did not so intend, the wording was ambiguous and misled the insured into believing that the policy covered in or on such other buildings. Therefore, following the rule of law, that all ambiguities in an unilateral contract must be decided against the writer of such contract, the court very properly gave judgment against the insurance company.

The remedy for this state of affairs is simple—the companies can refuse to write such contracts.

(*Prudential Weekly Record.*)

We, in this country, are not educated to an income, or to the value of little things, to the extent that is true of those in older countries. We make the mistake of underestimating the small things and of overestimating the larger things. "Thousand" is a big word to the average man, signifying a fortune. It is overestimated.

The man who is content to leave the proceeds of a one-thousand dollar policy to his family, and of the belief that it will supply future needs, does not consider that when the bills are paid and the family live for a few months, it is all gone. It did not amount to much after all. It had been overestimated. And why? Perhaps it was more than he had, and possibly more than he had ever had at one time. It was more than he was accustomed to handling, comprehending or even seeing, and he would very naturally overestimate its value.

It would be quite as natural for him to *underestimate* the value of a ten-dollar monthly income. He is familiar with ten dollars and he has that much in his pocket. He receives more than that amount every week. He sees ten dollars in circulation every day, but never a thousand. He is so familiar with ten dollars that it becomes common to him and he underestimates its value, and does not consider that it would require three thousand dollars, or three times the amount of his policy, safely invested at four per cent., over and above taxes and costs of every kind, to produce ten dollars a month.

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1905	$ 90,334,038
1906	93,563,452
1907	102,233,634
1908	109,685,428
1909	113,716,188

Each year larger than any in the previous history of the Company.

Commenced Business 1858

INSURANCE MEN will note the significant increase in The Northwestern's new business during the past five years.

IMPORTANT FACTS relating to this business are shown by the following percentages:

	Expenses	Mortality	Interest
1905	12.15	67	4.73
1906	11.76	59	4.72
1907	11.81	58	4.76
1908	10.76	59	4.84
1909	10.63	54	4.85

It is capable of easy demonstration that The Northwestern is the best Company to insure in.

See The Northwestern's new (1910) policy contract with its Dividend Options, Paid-up and Endowment Options, Options of Settlement and the Premium Loan Features.

Issues Partnership and Corporation Insurance.

For further information or an Agency, address

H. F. NORRIS,
Superintendent of Agencies.

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PHOENIX

ASSURANCE COMPANY, LIMITED, OF LONDON

(ESTABLISHED 1782)

LOSSES PAID, OVER - - - $200,000,000

HEAD OFFICE FOR THE UNITED STATES

47 CEDAR STREET, NEW YORK CITY

A. D. IRVING, JR., SECRETARY — LOUIS P. BAYARD, PERCIVAL BERESFORD — JOINT MANAGERS

HARTFORD LIFE INSURANCE COMPANY

CHARTERED FORTY-THREE YEARS

GEO. E. KEENEY, President. THOMAS F. LAWRENCE, Secretary

1909 Policy Contracts are Participating and Non-Participating. Annual or Deferred Dividends—Rates revised and made lower. Values based upon the FULL RESERVE. Desirable Contracts for Producers. Address—

Second Vice-President, Home Office, HARTFORD, CONN.

1828. THE 1910.

Pennsylvania Fire Insurance Company

OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,349,097.67
Surplus	2,233,426.43
Total January 1, 1910	$7,332,524.10

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

INCORPORATED 1851.

Berkshire Life Insurance Company

OF PITTSFIELD, MASS.

All Policies issued by the Company are subject to the Massachusetts Non Forfeiture Law.

JAMES W. HULL, President.
W. D. WYMAN, Vice-Pres. and Treasurer. J. M. LEE, Actuary.
THEO. L. ALLEN, Sec. ROBT. H. DAVENPORT, Asst. Sec

Agencies in all the principal cities of the United States.

THE LEADING FIRE COMPANY OF THE WORLD

ROYAL INSURANCE COMPANY LIMITED

[of Liverpool, England.]

The Columbian National Life Insurance Co. of Boston, Mass.

LIFE, ACCIDENT AND HEALTH INSURANCE

The Only Massachusetts Non-participating Company.

The New Columbian Policies are Unexcelled in Clearness and Liberality. Good Contracts and Territory for Good Producers.

ARTHUR E. CHILDS, President

COMMERCIAL UNION ASSURANCE CO.

LIMITED,

OF LONDON.

OFFICE:

Cor. Pine & William Sts., New York

GUARANTEES—NO ESTIMATES

ARE ALL POLICIES OF

American Central Life Insurance Co.

INDIANAPOLIS, INDIANA.

INSURANCE IN FORCE, $25,000,000. ASSETS $2,462,000

High Class Salesmen Wanted in

Tennessee, Missouri, Arkansas, Alabama, Michigan, Pennsylvania, Ohio, Indiana, Illinois, Texas, Kansas, Oklahoma and Kentucky

A NEW PLAN

OF COMPENSATING SALESMEN

Write for Information Today

Unique in Accident Insurance

The Ætna Life Certificate, sold in connection with ÆTNA Accident policies, at the small cost of $5.00 per year, PAYS $250.00 FOR DEATH FROM ANY CAUSE, natural or accidental.

THIS IS A BIG SELLING POINT

ÆTNA LIFE INSURANCE CO.

Accident and Liability Department

HARTFORD, CONN.

For an Agency address WALTER C. FAXON, Vice-President

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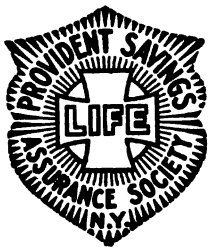
1857 —— CHARTER PERPETUAL —— 1910

THE GERMAN MUTUAL LIFE INSURANCE COMPANY
OF ST. LOUIS, MO.

Attractive Policy Forms and Low Premium Rates.
Liberal Contracts to Reliable Producers.

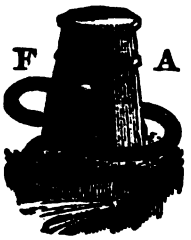


The Only Company in the World That
"INSURES LIVES AND GUARDS THEM AGAINST DISEASE"
AGENTS WANTED
Apply to F. E. McMULLEN, 2nd Vice-President and Supt. of Agencies
HOME OFFICE BUILDING
35 Nassau Street, New York, N. Y.
E. E. Rittenhouse, President.

FIRE ASSOCIATION
1817 OF PHILADELPHIA 1908

Total Assets,	$7,840,675.19
Capital Stock,	750,000.00
Net Surplus,	1,804,021.58

E. C. IRVIN, President.
T. H. CONDERMAN, Vice-President.



New York City Department
KELLY & FULLER, Agents
92 William Street, New York City
Boston Department
JOHN C. PAIGE & CO., Agents
65 Kilby Street, Boston, Mass.

THE Fidelity and Casualty Company,

97-103 CEDAR STREET, NEW YORK CITY.

Assets, $9,607,864.46.
Capital and Surplus, $3,378,053.64.
Losses Paid to June 30, 1910, $33,065,866.09.

This Company grants Insurance as follows:
Bonds of Suretyship for persons in positions of trust
Fidelity Bonds, Burglary, Plate Glass,
Steam Boiler, Flywheel, Employers',
Public, Teams, Workmen's Collective,
Elevator and General Liability;
Personal Accident, Health
Physicians' Liability.

OFFICERS:
George F. Seward, President.
Robert J. Hillas, Vice-President and Secretary.
Henry Crossley, Assistant Secretary.
Frank E. Law, Second Assistant Secretary.
George W. Allen, Third Assistant Secretary

ILLINOIS LIFE
INSURANCE COMPANY, CHICAGO
JAMES W. STEVENS, President.
Offers exceptional inducements to reliable and energetic men who are experienced in or who would like to enter the business of life insurance.
Address the HOME OFFICE:
Fort Dearborn Building 134 Monroe Street

MEN OF ENERGY
ARE OFFERED
WORK OF MOMENT

in desirable localities representing a sixty-year-old institution, with modern, liberal, law-conforming policies, and helpful Home Office co-operation. Much good territory available. Many opportunities for advantageous positions. Inquire NOW.

Union Mutual Life Insurance Co.
PORTLAND, MAINE
FRED E. RICHARDS, President
Address either: ALBERT E. AWDE, Supt., Flatiron Bldg., Watertown, N. Y.
THORNTON CHASE, Supt., 405 Exch. Bldg., Los Angeles, Cal.

Agency Secretary Wanted

One whose experience fits him to act as Home Office Secretary to the Company's agencies, can secure good position with large, well established life insurance company. Must have had broad experience. Those who have not need not apply.

Address "Secretary," care of this paper.

IT PAYS THE AGENT
To represent the best company. There are many excellent standard life insurance companies. Which is the best? In stability, progressiveness, liberal contracts to agents and low cost to policyholders no company surpasses
THE
Union Central Life
Insurance Co. of Cincinnati
ASSETS, $74,523,966.28 - - - LIABILITIES, $72,324,302.92
Good openings are occuring from time to time.
ADDRESS:
JESSE R. CLARK, President. ALLAN WATERS, Sup't of Agents.

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NATIONAL POLICIES SATISFY THE PUBLIC

NATIONAL CASUALTY DETROIT

NATIONAL CONTRACTS SATISFY THE AGENT

Territory open. Write for terms.

THE CONNECTICUT MUTUAL

That means the best life insurance to have and the best to sell. If you can sell life insurance, you can sell more of it for the CONNECTICUT MUTUAL.

Men of character and ability are invited to apply.

CONNECTICUT MUTUAL LIFE INS. CO., Hartford, Conn.

Please mention this paper

1860 50TH YEAR 1910

HOME LIFE INSURANCE COMPANY

OF NEW YORK.

GEORGE E. IDE, President

ASSETS, $23,626,018.63 LIABILITIES, $21,858,691.52 (Including Deferred Dividend Fund)

Dividend-Endowment Fund (Deferred Dividends)	$2,119,044.00
Net Surplus	1,767,327.11
Insurance in Force	92,532,583.00

The Record for 1909 shows the following GAINS:

Insurance in Force	$4,164,239.00
Assets	1,917,117.00
Deferred Dividend Reserve	148,581.00
Contingency Reserve (Surplus)	655,149.17

OLDEST IN AMERICA STRONGEST IN THE WORLD

The Mutual Life

Insurance Company of New York

Mutual Life Agents Make Most Money Because Mutual Life Policies Sell Most Freely

For terms to producing agents address:

GEORGE T. DEXTER, 2d Vice-President,

34 Nassau Street, New York, N. Y.

[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1, 1910

CAPITAL

$1,500,000

RESERVE FOR ALL OTHER LIABILITIES

8,222,018

NET SURPLUS

6,440,211

ASSETS

16,162,229

GERMANIA

FIRE INSURANCE COMPANY

Organized 1859 NEW YORK

Cash Capital	$1,000,000.00
Assets	$6,568,229.14
Net Surplus	$3,008,419.02
Surplus for Policy Holders	$3,008,419.02

HEAD OFFICE: Cor. William and Cedar Streets

The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1910	$3,470,509.30
Total Liabilities, except Capital	1,920,837.24
Capital	500,000.00
Surplus to Policyholders	1,549,672.06

F. F. BUELL, Special Agent, Troy, N. Y.

Provident Life and Trust Co.

OF PHILADELPHIA.

The Provident has been particularly distinguished for the development of a highly trained force of agents. The systematic instruction which its agents receive has resulted in their being recognized as representatives of exceptional knowledge of the business and of marked efficiency.

Insurance Company of North America

FOUNDED 1792

232 Walnut Street, Philadelphia

Assets, January 1, 1909 ..... $12,014,062.63

LIABILITIES—Reserved for Reinsurance and all other claims	$7,263,156.97	
Capital Stock	3,000,000.00	
Surplus over all Liabilities	1,750,905.66	$12,014,062.63

Agents in all the principal towns and cities.

EUGENE L. ELLISON, President.

I. HOWARD WRIGHT, Secretary. HENRY W. FARNUM, Assistant Secretary.

BENJAMIN RUSH, Second Vice President. JOHN O. PLATT, Assistant Secretary.

Surplus to policyholders, $4,750,905.66.

Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

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A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS is unsurpassed for net low cost and care of interests of all members.

The Penn Mutual Life Insurance Company

OF PHILADELPHIA

On January 1, 1909, rates were reduced and values increased to full 3 per cent. reserve.

National Life Insurance Company

of the United States of America

ALBERT M. JOHNSON, President

More than $9,750,000.00 in Assets

Excess Security to Policyholders, $1,300,000.00

Chicago's Oldest and Strongest Company

OUR NEW POLICIES ARE WORLD BEATERS
LOW RATES AND HIGHEST VALUES

You Lose Money When You Neglect Your Chance to Sell Them

WRITE TO

Robert D. Lay, Secretary, 159 La Salle Street, Chicago.

HANOVER

Agencies in all the Principal Places in the United States.

Fire Insurance Company

OF NEW YORK.

Western Assurance Company

HEAD OFFICE: TORONTO, CANADA.

INCORPORATED 1851.

Hon. GEO. A. COX, President.

W. R. BROCK and JOHN HOSKIN, K. C., LL. D., Vice Presidents.

W. B. MEIKLE, General Manager.

UNITED STATES STATEMENT, JANUARY, 1910.

Assets	$2,377,308.87
Surplus in United States	839,268.07

The Liverpool & London & Globe Ins. Co.

LIMITED

ESTABLISHED 1836. ENTERED THE UNITED STATES, 1848

NEW YORK OFFICE:

WILLIAM AND PINE STREETS.

NEW ENGLAND, NEW YORK, PENNSYLVANIA, NEW JERSEY, OHIO, INDIANA, KENTUCKY, TENNESSEE, MARYLAND, DELAWARE, DISTRICT OF COLUMBIA, VIRGINIA, WEST VIRGINIA, NORTH AND SOUTH CAROLINA.

H. W. EATON, Manager.
GEO. W. HOYT, Deputy Manager.
J. B. KREMER, JR., T. A. WEED, } Agency Superintendents.

CHICAGO OFFICE:

203-205 LA SALLE STREET.

ILLINOIS, MICHIGAN, IOWA, WISCONSIN, MINNESOTA, MISSOURI, KANSAS, NEBRASKA, COLORADO, NORTH AND SOUTH DAKOTA, MONTANA, UTAH, WYOMING AND NEW MEXICO.

W. S. WARREN, Manager.
GEO. H. MOORE, Assistant Manager.
HUGH R. LOUDON, Deputy Asst. Manager.

NEW ORLEANS OFFICE:

CORNER CARONDELET AND COMMON STREETS.

LOUISIANA, MISSISSIPPI, ALABAMA, ARKANSAS, OKLAHOMA, GEORGIA, FLORIDA, TEXAS.

CLARENCE LOW, Manager.
J. G. PEPPER, Assistant Manager.
THOS. H. ANDERSON, Deputy Asst. Manager.

SAN FRANCISCO OFFICE:

444 CALIFORNIA STREET.

CALIFORNIA, NEVADA, OREGON, WASHINGTON, IDAHO, ARIZONA, ALASKA.

CHARLES D. HAVEN, Manager.
C. MASON KINNE, Assistant Manager.
JOHN W. GUNN, Deputy Assistant Manager.

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NOV 14 1910
CAMBRIDGE, MASS.

The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

VOL. LXXXIII. NEW YORK, SATURDAY, NOVEMBER 12, 1910. No. 20.

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Checks and money orders should be made payable to the order of THE WEEKLY UNDERWRITER.

Entered at the New York, N. Y., Post Office as second class matter.

CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

THE political revolution—or evolution, as Woodrow Wilson prefers to call it—of this week will make some changes in the heads of insurance departments, the most important being that in New York, which will be occasioned because the term of Governor Dix will overlap that of Superintendent Hotchkiss. As they are of opposing parties, it is, by the law of partisan politics, inevitable that the representative of the defeated cause must go. Mr. Hotchkiss' term does not expire, however, until a year from next February, and there is still time to win that nomination for the Governorship. In Ohio, New Jersey and Maine, also, the Democratic Governors will outlast the Republican State insurance supervisors. The National Convention of Insurance Commissioners is kaleidoscopical in construction; nearly every year brings a new combination, by reason of death, resignation or party change. Of the fifty-two State and Territorial commissioners in office ten years ago but four remain—Wright, Young, Gray and Folk. It is not likely that the result of the elections will have much influence on the attitude of legislatures toward insurance. Political parties do not divide on the insurance question, and it was not made an issue in the party platforms this year to any appreciable extent. State rate making for fire insurance may come up in a number of legislatures next winter, but not as party propositions.

As is widely known—because the promoters weary not in advertising the fact—San Francisco proposes to hold an International Panama Canal Exposition in 1915. So does New Orleans. The enterprising Californians have conceived of an additional attraction to their project which does not appear to have occurred to their Southern rivals. It is a World's Insurance Congress, at which the representatives of all classes of insurance companies in all parts of the earth will gather to exploit the greatness of insurance and devise means for its spread and the improvement of its methods. The inception of the scheme, we learn from the *Pacific Underwriter*, was in a set of resolutions introduced by Manager Hathaway of the Mutual Life insurance company at a meeting of the San Francisco Life Underwriters' Association. A committee on organization, composed mainly of presidents of California insurance companies, is setting on the plans, which are going to hatch quickly. Our esteemed contemporary ventures the proposition that San Francisco is peculiarly attuned to an insurance congress, because the fire insurance companies have dropped an immense amount of money there, which has assured its rebuilding, and because the life insurance companies have loaned vast sums there for the same purpose. All have, therefore, a financial as well as a personal interest in the Pacific city. The project is an ambitious one, and, no doubt, with characteristic energy, the Californians will make something of it. The proper place to hold a World's Insurance Congress is, of course, the metropolis of the country—right here on the Atlantic coast, the fountain head of the insurance business. But we are too great to be avaricious. Meanwhile what is New Orleans going to do about it?

THE New York Legislative Investigating Committee has applied to the fire insurance companies transacting business in this State for certain information, the nature of which will be seen in the letter of the chairman which we publish. The application is for the experience of the companies for three years on twenty-eight leading risks in the United States, or in such parts as a company may operate. If the classification of risks among insurance companies were uniform the information, if it were a matter of record with all, might be of some use to the committee. As a matter of fact no two companies classify all their risks exactly alike, and many have no complete records for all. Results are also affected by an intricate variety of circumstances, such as exposures and the application of the coinsurance clause in some instances and not in others. To collate all these facts so as to be practically precise about them would consume months of time at the cost of thousands of dollars to each of the companies, and when the complex mass of material was dumped on the investigating committee it would take months of its time at the cost of thousands of dollars to shape it into coherency, even if that were possible, of which there are serious doubts. The request of the committee was evidently evolved from the mind of its imported actuary, and not from that of any member. The information asked for under the second head, that relating to congested districts of New York, Philadelphia and Chicago within certain arbitrary boundaries, cannot be supplied, as the accounts of the companies are not kept in that form. The companies have every desire to comply courteously with the wishes of the committee, and it would seem that they should meet either under the authority of the National or the local Board of Underwriters and formulate for the committee a statement of what it is practicable to do to conform substantially to what the committee wants to know. The committee is composed of intelligent men, and there is no cause to suppose that they will be unreasonable. In this connection it may be well to suggest to the committee that it might lay the foundation for a State classification of risks and rates by promoting a law to require every property owner losing by fire to report the facts concerning his risk and the loss

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to a duly qualified State official or board. These sworn returns would be as valuable to the insurance companies as to the public, and would also act as a restraint upon the fraudulent burning of insured property.

Facts and Opinions.

The **Bureau of Publicity, Legislation and Departmental Relations** for the casualty insurance companies, of which Insurance Commissioner James V. Barry, of Michigan, has been appointed manager, will be formally opened in Detroit on next Wednesday, at which time Mr. Barry will have ceased his connection with the Michigan department. The governing board of the bureau will consist of William Bro Smith, counsel of the Travelers insurance company, chairman; Edson S. Lott, president of the United States Casualty; W. G. Curtis, president of the National Casualty; A. E. Forrest, secretary of the North American Accident; William M. Tomlins, Jr., president of the Empire State Surety, and H. G. B. Alexander, president of the Continental Casualty. There will be a meeting of the board in Detroit next Wednesday to complete the final details. It should be stated that the Bureau is the creation of the International Association of Accident Underwriters and the Detroit Conference, as well as of the Board of Casualty and Surety Underwriters—in short, of all the prominent casualty insurance companies in the several combinations.

Horse endowment insurance and **automobile redemption insurance** are two new insurance wrinkles in Britain—where everything in the way of insurance goes—and are thus described by the *Review*, of London:

"Horse Endowment Insurance," as the title of a new prospectus strikes one at the first glance as being very odd. This new departure emanates from the General Accident, Fire and Life Assurance Corporation, Limited, and on looking into it the plan appears to be a very good one. Horse owners are certainly likely to take it up. There is plenty of room for much business of this sort ere equines are extinguished by the universal use of petrol. Despite the great increase in mechanical traction, there are plenty of equine eligibles for the new insurance, which is very simple. The owner of a horse valued at £50 can secure a policy under which he will be entitled to £50 at the end of ten years. The annual payment for that period is £6 6s. 5d. Should the horse die at any time the owner can immediately claim his £50. The advantage of this is obvious. But if the horse survives it can be retained, and another—a younger and more useful animal—be purchased with the £50. There are various privileges attaching to the conditions, and the scheme is sufficiently elastic to meet all requirements. Somewhat on the same lines, the General Accident issues a prospectus dealing with motor cars—"Motor Car Redemption Insurance." The owner of a car pays an annual premium, and at the end of the prescribed period draws from £100 to £500, according to the terms of the policy, under which arrangement he can sell his old car and get something more up to date. The conditions include one by which if at any time after two years' premiums have been paid it is found unnecessary or inconvenient to continue the policy, a fully paid up assurance maturing at the same date as the original, assuring such a proportion of the original amount as the number of premiums actually paid bears to the total number payable, would be granted. Then in lieu of such paid up policy a surrender value equal to the whole of the premiums paid (less one-half of the first year's premium) accumulated at 3 per cent. compound interest would be allowed. Again, holders of these motor car redemption policies with the corporation are entitled to a reduction of 10 per cent. off their motor car accident and fire insurance premiums.

In the minds of one or two men prominently connected with fire underwriting the proposed plan to be presented to the Legislature the coming session to provide a **"court of appeals"** for those who wish to make appeal from rate decisions of the New York Fire Insurance Exchange, as outlined in this paper last week, might be worked out easily enough, but they fail to see how the companies interested could be required to accept the new decision, which would naturally be in the form of a reduced rate. Any new law which would compel such acquiescence would amount to State rating, and New York is not believed to be ready for that at present. By inquiry at the Exchange, it is learned that under the rules of the Exchange any dissatisfied property owner may, if he is not pleased with the rating given his property by the manager of the Exchange, appeal to the rating committee, and if he fails there to obtain relief may take the matter to the floor of the Exchange for settlement by the members. It is stated that there have been very few such appeals since the organization of the Exchange. It is very probable, however, that with the establishment of an official person or persons vested with a right to review Exchange ratings there would immediately appear a multitude of persons with alleged grievances. As stated, there would be no way of compelling a fire insurance company to write at the reduced rate unless State rating is brought about.

The **Firemen's Fund** insurance company, by its representative at Dallas, William Thompson, has filed a motion in the Texas Supreme Court for permission to file a petition for **mandamus** to compel **Insurance Commissioner von Rosenberg** to accept the payment of the company pro rata as tendered for the support of the State Rating Board, and prevent him from cancelling the license of the company for not paying the full amount assessed. The action is a test for the purpose of settling the basis upon which the $15,000 necessary to the support of the State Rating Board shall be revised. The company contends that the commissioner has misconstrued the law in exempting certain companies, which have paid the 2½ per cent. gross premiums tax. It is maintained that the assessment should be made upon each company in ratio of its gross premiums to the total of the premiums of the 122 companies doing business in the State last year. Mr. Thompson and Assistant Attorney General Walthall appeared before Chief Justice Gaines and explained to him the questions involved, and that the suit is a friendly one to get a construction of the acts of the Thirty-first Legislature. They also explained to him that the commissioner under the law forfeits the permits of all companies failing to meet the payments within thirty days after being assessed, and for this reason they are anxious to have the matter settled at once.

One of the surprises of the week was the announcement of the **resignation of Henry E. Hess** as vice president of the Fidelity-Phenix, made public last Saturday. Mr. Hess resigned his position as manager of the New York Fire Insurance Exchange in December, 1909, to accept the appointment as vice president and director of the Phenix of Brooklyn, and under his management the company quickly reinstated itself in the confidence of the public. At the time of the merger with the Fidelity in March, 1910, Mr. Hess was made vice president of the new combination, which position he had since held. Mr. Hess has other plans in view, which he will be in a position to announce later. He was manager of the New York Fire Insurance Exchange from June, 1899, and previous to that had been for two years president of the New England Insurance Exchange. His business training started in an insurance agency at Indianapolis in 1867, which was followed by the study of law, admission to the bar and work as a newspaper man. In 1881 he was made special agent for the Merchants insurance company of Newark, and later became special agent for the Royal, North America and Pennsylvania under C. R. Knowles, of Albany. He was in 1884 made special agent for the Connecticut Fire.

Numerous **changes among insurance commissioners** will doubtless ensue as the result of Tuesday's elections. The term of Insurance Superintendent Hotchkiss, of New York, continues until 1912, at which time he will in all probability

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be succeeded by a Democrat. Other States in which Democratic success has followed Republican administration will probably make a similar change. In Ohio Judge Lemert will undoubtedly retire as the result of the election of Governor Harmon. The new Democratic Auditor in Indiana will have charge of the insurance department. In Kansas Charles W. Barnes, whose handling of insurance matters has brought him anathemas from nearly all points of the compass, is to be succeeded by Isaac S. Lewis, for years chief clerk in the insurance department. The retirement of Commissioner Barry, of Michigan, has already been cared for, and Commissioner Hartigan, of Minnesota, will voluntarily conclude his work in that capacity with the end of the present year. There have been three deaths of insurance commissioners during the year: those of Drake, of the District of Columbia; Squires, of Utah, and Crouse, of Maryland.

The **Texas State Fire Rating Board,** which goes out of office December 10, has discovered that it will be necessary to promulgate an entirely new general basis schedule, designed to rectify the inconsistencies of the department schedule taken in connection with the new State rating law. An Austin dispatch says:

The members of the board have called in a number of actuaries and rating experts, and are going over a number of surveys taken from various cities to detect the defects of the department basis schedules. A strong sentiment is growing in favor of adopting the analytic system of rating, which is in general use throughout the West, and which could readily be adopted to suit Texas conditions, besides securing the much desired uniformity. The present schedule is a hodge-podge of a half dozen different schedules, and is full of inconsistencies. The present rating board does not believe that the work can be completed before it goes out of office, and has announced that under no consideration will its members accept reappointment, but it hopes to get the work well started before retiring. A largely attended meeting of field men and general agents was held at Dallas last week to consider the new State rating law, and it was strongly intimated that unless some modification of the past requirements can be secured several companies will retire from the State at the end of the year.

The **Factory Insurance Association of Hartford** has issued the following circular in anticipation of the approaching cold weather:

As the season is now at hand when fire apparatus and water pipes generally are liable to freeze, we submit the following suggestions for our mutual protection:

First—Examine tanks and all pipes, fittings and valves, whether for steam heating, general water service, or fire protection. See that none are frozen or have been frozen, and that they are all in operative condition, and where there is any liability of freezing arrange the necessary protection.

Second—See that all valves are open that should be open, and try water outlets to ascertain if all pipes are free and ready for service.

Third—See that extra sprinklers are on hand in case of need to replace frozen or melted heads.

Fourth—Be sure that your engineer is fully posted as to the purpose and intention of every valve and pipe.

Fifth—Try your pumps and see that they are in proper working order.

Sixth—Test all of the hydrants and indicator posts, and see that they drain properly.

The Appellate Division of the New York Supreme Court has handed down a decision in the case of the appeal of Simon Heilbrun vs. the German Alliance insurance company, which in effect holds that there is no **obligation upon a mortgagee** to do anything whatever in the way of making a claim against a company except to bring action at any time within six years, and recover, and this without any prior notice whatever to the company for any loss claim. All the justices of the division concurred except Justice Laughlin, who in the course of a dissenting opinion said:

It scarcely needs reflection to realize that if a mortgagee may recover six years or more after the loss, without notice of the fire, proofs of loss or opportunity for arbitration, the door will be opened wide not only to fraudulent claims upon which the company will be victimized, for they will be helpless in many instances to defend themselves against dishonest claims, but also to collusion between owners and mortgagees.

An active campaign through advertising is being carried on by **Percy B. Sullivan,** former manager of the Illinois National Fire, which went into the hands of a receiver, and now manager of the Assureds National Mutual of Decatur, who is offering reduced rates on insurance and to purchase the expirations of any insurance agency. When an agency is bought up the seller is to agree to introduce the buyer to his policyholders and personally urge them to accept and retain the mutual policies. All the outside business is to be cancelled at short rates and mutual policies substituted. The purchaser will get the difference between the short rates and the purchase price of the agency, while the issuance of mutual policies will cost Sullivan nothing, the purchaser meanwhile becoming liable for his share of any losses incurred.

The **Illinois Fire Insurance Commission** will hold a meeting in Chicago near the end of November, at which it will go over the draft of its report to the Legislature on fire insurance conditions in the State. It is understood that this will advise against State rating while urging a greater degree of publicity, will not favor a limitation of commissions, although a limitation of total expenses may be suggested, and will urge higher qualification for agents and stricter regulation of Lloyds and interinsurance concerns. The Illinois Insurance Department will push bills before the next Legislature placing Lloyds and all unincorporated institutions under the supervision of the department, together with an anti-rebate law for fire insurance and an amendment to the surplus line law increasing the penalties provided for violations.

It has been learned by *Rough Notes* that **John C. Billheimer,** who completes his term of office as Auditor of the State of Indiana November 30, is interested in the organization of a new fire insurance company to be known as the **Home Fire insurance company of Indiana,** with headquarters in Indianapolis. Mr. Billheimer is to be president, and will assume the active management. The proposed capital is $1,000,000, but the company will incorporate when $100,000 has been placed. The stock is being sold on a basis to produce a like amount of surplus. Mr. Billheimer says he had not taken an active part in the early preparations of the work, and will not until he leaves the auditor's office. With Lynn B. Millikan and John W. Holtzman, he has been named a commissioner for the disposal of the initial issue of the stock.

A lively contest is on for the **insurance on "Cotton Row" at Augusta, Ga.,** which has recently been equipped with automatic sprinklers, the risk covering two blocks. The cotton factors have spent nearly $40,000 for equipment and the construction of a large water tank as an auxiliary to the city water department, and have secured a reduction of over two-thirds in the former rates. The South Eastern Underwriters' Association agreed to make the rate as low as 50 cents before the improvements were begun, and it is believed that the final rate will be below 40 cents. It is understood that the New England mutuals are figuring on the risk.

It is intimated that in the forthcoming Illinois annual life report Insurance Superintendent Potter will recommend that all life insurance companies chartered in Illinois with $100,000 capital or over be permitted to use the **disability feature** in their contracts. A number of outside companies are offering disability insurance along with life insurance, and it is desired to put the Illinois companies in a position to meet this competition. Superintendent Potter will also recommend that life insurance companies having an adequate capital be al-

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lowed to write health and accident insurance also, either in connection with life insurance or separately.

The **anti-tipping laws** brought a fine of $100 for R. Percy Thompson, a bond and insurance broker, of 66 Broadway, New York, on Thursday of this week. It was shown by the evidence in court that Thompson paid $100 to clerks of the Equitable for information about lapsed policies that he wished to purchase. The defense was that the insurance society had suffered no injury. The court, however, held that it was not necessary to prove any damages, but that the offense was the giving of the gratuities to the employees in exchange for confidential information regarding the business of their employers.

The **People's National Fire** of Philadelphia has elected the following officers: Louis S. Amonson, president; Hon. E. C. Stokes, former Governor of New Jersey, chairman of the board; H. M. Van Court, president of the Central Trust Company, and J. Hector McNeal, attorney-at-law, vice presidents; James F. Hallowell, treasurer and secretary; J. M. Canning, chief accountant of the Jefferson insurance company, assistant secretary; William F. Braun, Ohio special agent, assistant secretary. The last two are new additions to the list of officers.

The differences between the various **products of crude oil** is brought out in a communication to this paper from Charles C. Dominge, of the German-American, who states that when crude oil is subjected to fractional distillation the very lightest hydrocarbons distill over first, the product being called gasoline. The next distillate of a heavier specific gravity is called naphtha and the next heavier is benzine, the last and heaviest being kerosene. The standard readings for the various products are as follows: 60° to 69° Baumé for benzine; 70° to 79° Baumé for naphtha; 80° to 89° Baumé for gasoline.

The Northern Forest Protective Association, organized this week at Marquette, Mich., will endeavor **to prevent forest fires** in northern Michigan and Wisconsin. Owners of more than 2,000,000 acres of forest lands were represented at the meeting. The following officers and directors were elected: President, T. A. Green, Ontonagon; vice president, C. V. R. Townsend, Negaunee; secretary, T. B. Wyman, Munising; treasurer, J. E. Sherman, Marquette; directors, C. H. Worchester, Chassell; C. A. Goodman, Marinette, and W. H. Johnson, Ishpeming.

It is believed that considerable **unauthorized insurance** which has been carried on large risks **in Ohio** will be dropped as a result of the new law taxing the assured 5 per cent. on all premiums paid to unauthorized companies. While the law went into effect July 1 no reports are required under it until the first of the year. Some of the property owners affected are bitter at the insurance companies, claiming that they instigated the law, but it originated from the State Insurance Department, which was anxious to get the taxes which were being evaded by the unadmitted companies.

Wellesley College girls have **organized a fire department** and elected Miss Mary Sawyer, of Lowell, its chief. Already it has had its first drill. A large bonfire was built on the campus, and every member of the department was shown how to use a chemical extinguisher. Then came the fire drills. Each of the captains has mapped out the dormitory in her charge to make it plain which way to go in case of fire. Various girls are detailed to look after the hose, and the girls who are ill or temporarily disabled are taken into consideration.

An invitation to the fire insurance agents in New Jersey has been issued under the auspices of the New Jersey State Association of Local Fire Insurance Agents for a gathering at Asbury Park November 22, at which time the value of co-operation on business matters will be brought up for discussion and action. The call states that **New Jersey is overrun** at either end **with brokers** by reason of its geographical location, the practices of some of whom are in antithesis to those of properly accredited agents.

A voluntary reduction of **dwelling rates in Minnesota,** outside of the timber country, has been made by the companies by the removal after November 15 of the exposure charges, which have been from 5 cents to 25 cents per $100. The companies will also allow greater reduction of rate for the use of the coinsurance clause, varying from 5 per cent. on ordinary brick buildings to 2½ per cent. on fireproof, with 15 per cent. reduction of tornado policies in which the clause is used.

The Detroit *Indicator* notices the appointment of the **new Insurance Commissioner of Michigan** in these terms:

Mr. M. O. Rowland, who has so ably filled the position of deputy commissioner of the Michigan Insurance Department, will succeed Mr. James V. Barry on November 15. He comes to the position fully equipped and with a ripe experience obtained as the department examiner, and for several years as deputy commissioner. Mr. Rowland is well known to the insurance fraternity throughout the country, and holds their confidence and respect. We can confidently predict that the Michigan Insurance Department under his administration will continue to hold the high position which it now occupies.

The annual meeting of the **Boston Board of Fire Underwriters** was held on Tuesday. In order to avoid complications the board changed its classification of cement block buildings so as to classify them hereafter with frame buildings, following the practice of the New England Insurance Exchange in that respect. The following officers were elected: Charles B. Wheelock, president; Harry H. Whitney, vice president; F. Elliott Cabot, secretary; A. Jarratt Lewis, treasurer.

The **fire losses** have been unusually heavy **in New Orleans** of late, and B. P. Sullivan, the Louisiana Fire Marshal, is making a systematic canvass of the city to secure cleaning up and the removal of defective flues, dangerous electrical installations and other hazards. There have been some cases of arson, but the fire marshal is handicapped by the fact that the Louisiana law provides the death penalty for arson, making it very difficult to secure convictions.

The fire in the freight car repair yards of the Atchsion, Topeka and Santa Fé Railroad at Topeka is said to have **burned more railroad cars than were ever before destroyed** in a single fire. The insurance loss was $200,000, carried in the Western Syndicate, and it is not believed that the property loss was much in excess of this. This is the largest loss the syndicate has ever had, and is regarded as comparable to a conflagration loss in ordinary fire insurance.

The **Union Life of Chicago** has appointed Frederick A. Draper as actuary. Other changes include the election of H. M. Snow to be secretary, with A. E. Fowler as his assistant; and the election of A. E. Fowler and John W. Burdette, of Chicago; E. M. Metcalf, of Kansas City, and L. S. Hall, of Grand Rapids, as directors. The recent examination of the company by the Illinois department was productive of a most excellent report.

Canadian owners of timber tracts in the Province of Quebec have effected the **insurance of their standing timber with**

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Lloyds of London, declared to be the first insurance of the kind on the continent. The transaction has attracted much attention in Canada, as the owners are financing a $5,000,000 bond proposition for the extension of their lumber and paper pulp business, and the insurance affords increased protection for the bondholders. The president of the lumber company is Hon. William Price, M. P.

The **Merchants' and Manufacturers' insurance company of Cincinnati** on Tuesday completed arrangements for reinsurance with the Home of New York, Vice President Buswell and General Agent Deatrick, of the Home, closing the contract. The directors were anxious to retire from the business since the recent death of William H. Calvert, who was president of the company for thirty-two years. The company had been in business since 1838, and January 1 had $3,801,000 insurance in force. Secretary Hukill will continue to represent the Home.

A letter has been written by J. E. D. Jones, late vice president and general agent of the **Puritan Life** of Providence, R. I., who recently resigned, to the stockholders, stating that at the time of his resignation an old and well established company had offered to take over the business of the Puritan Life on favorable terms. Mr. Jones notifies the stockholders that if they want any information about this offer he is willing to give it to them.

At the last meeting of the **Fire Underwriters' Association of the Northwest** severe criticism was made of the expense of maintaining its **library**, the visitors averaging about one a week. It is now proposed to consolidate the library with that of the Fire Insurance Club of Chicago, and locate them on the same floor with the Chicago Board of Underwriters when it removes to the proposed new Underwriters' Building in that city.

The Western Union is about to enter on **a campaign of education to reduce the fire waste.** This will be in charge of the new committee on publicity and education, of which H. N. Kelsey, the Western manager for the Sun, was recently made chairman. T. R. Weddell, who is publisher of the *Argus*, and also insurance editor of the Chicago *Record-Herald*, will supervise the work, with the title of secretary.

The **Northwestern Fire and Marine of Minneapolis** will shortly restore its capital to the original figure, $300,000, which was reduced by adding $100,000 of it to the surplus at the time of its reorganization. A recent examination having showed a satisfactory increase in the surplus, it is now proposed to restore the capital, for which the consent of the Minnesota department has been secured.

The **Retail Merchants Underwriters of Texas**, a mutual fire insurance organization, is now ready for business. An optimistic dispatch announcing the organization states that it will do practically all the fire insurance business of all the retail merchants in the State. In case of a conflagration in a large business district the new association would learn something about the fire insurance business.

The hearing in court on the aplication for an injunction restraining the **Allegheny County, Pa., Board of Underwriters** from enforcing its rules and regulations was set for today. Refusal to accept business from a non-Board agent and an effort to prevent the expulsion of three prominent underwriting firms of Allegheny City, Pa., brought about the application in court.

The United States Circuit Court has entered judgment against thirteen insurance companies for the full amount asked by an Iowa distilling company on **policies on whiskey in storage**. The companies were willing to pay what it would cost to replace the liquor, but declined to pay its market value. The suits involved $85,500 and interest from May, 1908.

The Attorney General of Kansas has not yet filed his brief in the **Kansas State rating cases**, although the court instructed him to file it in ten days, giving the companies twenty days more in which to answer. Attorney General Jackson asked the companies for an extension, but over a month has now passed without any action on his part.

It is reported on what is believed to be good authority that the organization of **a new fire insurance company** with $500,000 capital and a surplus of $1,000,000 is about to be started in this city. The gentlemen interested in the promotion have been advising with capitalists and brokers for the past two or three weeks, and have practically decided to proceed.

The **Illinois Association of Local Fire Insurance Agents** will hold its annual meeting November 16. Addresses are to be given by George A. Gilbert, manager of the Employers Liability of Chicago; Attorney O. B. Ryon, of the Illinois Insurance Department, and State Fire Marshal C. J. Doyle, of Illinois. Others will also speak.

The troubles of the **L'Union St. Jean Baptiste d'Amerique**, the Rhode Island fraternal, resulted Thursday in the appointment of a receiver for the order, which has a large membership in Eastern States. The petition alleges mismanagement of the funds of the order. George R. Girard, of Woonsocket, R. I., is the temporary receiver.

The **Franklin Life insurance company of Springfield**, Ill., having amended its articles of association so as to reduce its authorized capital stock from $500,000 to $100,000, and also so as to limit to 5 per cent. per annum the maximum rate of dividends that can be paid on such stock, has been licensed to transact business in Michigan.

The **New World Life of Spokane, Wash.**, is rapidly placing its stock, over $400,000 of the proposed $2,000,000 having been disposed of. The California general agency has been given to William B. White, and its general manager, Philip Harding, predicts that the company will be in twenty States before March 1 next.

By the opinion of Judge Ward sustaining the special master in the settlement between the **Mutual Reserve Life** and the estate of Frederick A. Burnham, its former president, it is learned that the company received $5,000 in cash and $25,000 in securities in settlement of a pending suit between the parties.

Out of a total of **ninety fires in South Carolina** during October forty-eight were of unknown origin, according to Insurance Commissioner McMaster. Seven were from defective flues, against which the commissioner warned the public in his bulletin of the month previous. Only two were incendiary.

The **Central States Life of St. Louis**, capital $300,000, has been licensed to begin business in Missouri. Howard C. Boone is president; W. D. Van Diver, formerly State Superintendent of Insurance of Missouri, is vice president and treasurer, and E. H. Denham, of St. Louis, is secretary.

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The latest report from London with regard to the plans of the **Alliance of London** for fire business in this country confirm the statements in this paper that the idea has not been entirely abandoned, but that the company will wait until the matter of the reduction of expenses has been settled.

As the result of an order by the city council of Peoria, Ill., to demolish some wooden buildings in the rear of stores fronting on the public square the **rate** on the stores has been practically **cut in half.** Those concerned were unaware that exposures figured so largely in rate making.

The completion of the organization of the **Association of Southern Fire Insurance Companies** was delayed last week by the trial at Newport News, which interfered with the activities of those interested. A meeting is to be held as soon as possible to get the men together.

A complimentary dinner is to be tendered Insurance Commissioner **J. V. Barry,** of Michigan, by his numerous friends among the insurance company managers of the Western department on November 16, in honor of his departure from his official position.

It is stated that the business of the **Fidelity-Phenix** in the eastern Pennsylvania field will shortly be placed under the supervision of R. G. Leypoldt as special agent, who has for the past eight months been doing such work in western Pennsylvania.

At **Butte, Mont.,** there is ample water supply and an efficient fire department, say the National Board engineers, but owing to poor construction there is a high conflagration hazard. The congested parts have many shingle roofs, which add to this danger.

No returns have been made public as to the result of the vote in Minnesota Tuesday on a constitutional amendment providing that the State shall **insure against hail and tornado damage.** Two years ago such a proposition was voted down.

The **Grand Central Life** is a new organization in Kansas City, Mo. The State has granted a charter. The company is capitalized at $500,000, with surplus of $250,000. A. G. Crane is president and A. D. Girard is secretary and treasurer.

The **receiver for the Guardian Fire of Pittsburgh,** George H. Calvert, has sued the firm of Dickson & Tweeddale to recover $101,546.58, claimed to be due the company from premiums collected but not paid in and on other minor accounts.

In Nebraska November 5 was observed in the public schools as **"fire prevention" day,** when instruction was given concerning the reduction of the fire waste. A text book prepared by the State Fire Commissioner is in use in the schools.

A **high pressure system** is being installed **in South Chicago** by means of a loop through the business section, with a fireboat anchored at each end in the Chicago River. Their powerful pumps will supply pressure at times of fires.

The **Winona Fire of Minneapolis,** which has heretofore restricted its writings chiefly to grain and elevators, is preparing to introduce a general business, and will plant agencies throughout the Northwest.

The **Printing Trades Mutual Life** is now organizing at Chicago to insure only members of the Allied Printing Trades Association. It proposes to carry a surplus equal to twice the annual premiums on policies in force.

The promotion of the **Southwestern Fire of Albuquerque** has been abandoned owing to the appointment of receivers for the Co-operative Insurance Underwriters, the promoting company.

The license of the **Order of Railway Employees,** a fraternal which wrote business without medical examination or initiation, has been revoked by the Washington Insurance Department.

Sprinklered risks are now being sought by the Continental and Fidelity-Phenix on the basis that if they are good for the factory mutuals they are good for the stock companies.

The **Jefferson Fire of Philadelphia** has appointed A. N. Stewart, formerly general agent of the Phenix of Brooklyn, to be manager and have charge of the underwriting.

The **Minnesota Insurance Department** has admitted the General Fire and Union Fire of Paris and the United States Fire of New York to do business in that State.

The Eastern Union has appointed a sub-committee of three, of which E. B. Cowles, of Boston, is chairman, to consider **the expense question in and about Boston.**

The **American Live Stock insurance company** of Indianapolis has decided not to enter the South at present, after an investigation of conditions in that field.

The Swiss National of Basle, the Swiss Reinsurance of Munich and La Union et Fenix Espagnol of Madrid have applied for **admission to Louisiana.**

The **conditions at the Charleston, S. C.,** docks and terminals are severely criticised by the State inspectors, who report that tons of waste are lying about.

The **Columbia Fire of Athens, Ga.,** has elected L. C. Quin, formerly a special agent, to be assistant secretary of the company, assisting H. C. Stockdell.

The **Labor League, Incorporated,** a fraternal beneficiary corporation, has been granted a Massachusetts certificate of authority to do business.

The **American Union Fire** of Philadelphia has appointed Whilden & Hancock, of New York, its New York metropolitan district agents.

The **Swiss National** has been admitted to New Jersey for reinsurance business. The United States managers are Snow & Co., New York.

Representatives of **the Nord Deutsche** are touring the United States with a view to entering the company here for direct business.

The insurance agency of **O. O. Lauchner,** which does business in New York, Jersey City and Hoboken, is to be incorporated.

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The **Commonwealth Fire of Dallas**, Tex., has been licensed in Illinois, where it will be represented by Naghten & Co., of Chicago.

The **North British and Mercantile** of New York has entered Minnesota.

The **General Fire of Paris** has been admitted to Wisconsin.

Has anybody here **seen Armstrong?**—*Rough Notes.*

The **Allemannia** has re-entered Oklahoma.

Personal.

AGENCY APPOINTMENTS.

Fidelity-Phenix: O. E. Cook, of Boston, as special agent for eastern Massachusetts and Rhode Island, vice J. F. Barley, resigned; P. A. Cosgrove, special agent for western Massachusetts and Vermont, with headquarters at Hartford; Lester B. Howard, of Augusta, Me., special agent for Vermont.

Georgia Life: W. L. Nelson & Co., Macon, Ga., department managers of the Casualty branch.

Illinois Surety: W. D. McGinnitie, special agent for Iowa, with headquarters at Des Moines.

National of Hartford: F. D. Brougham, special agent for Iowa, assisting W. W. Waddell, State agent.

Spring Garden of Philadelphia: Howard B. Luce, formerly of the Sun, State agent for Michigan, succeeding N. B. Jones, retired.

United States Annuity and Life: H. G. Schwarzkopf, home office representative.

Mr. James H. Moore, of Moore, Case, Lyman & Hubbard of Chicago, who will complete fifty years of unbroken service as Chicago agent for the Hartford Fire in 1913, had a narrow escape from death in an automobile accident last week. Another automobile collided with his car, and while Mr. Moore escaped serious injury, his son, Fred W. Moore, who is associated with him in Moore, Case, Lyman & Hubbard, suffered an injury to his leg, which has confined him to the house for a fortnight.

Mr. Cecil H. Whittington, of Mather & Platt, Ltd., of London, England, manufacturers of Grinnell sprinkler appliances, was a Chicago visitor last week, and was very much pleased with the work of the Underwriters' Laboratories. Mather & Platt handle the Grinnell appliances for Great Britain and Continental Europe, and do an immense business, Mr. Whittington reporting one contract for $300,000, evidencing an appreciation of the value of sprinkler equipments.

Mr. Charles Williams, of the firm of Williams & Walton, agents at Philadelphia for the Commercial Union and the Queen, died Thursday morning, aged sixty-two years, of a complication of diseases. The funeral services are being held today. Among those in attendance are United States Manager Wray, of the Commercial Union, and Burchell, of the Queen.

Mr. Theron Upson, late State Superintendent of Insurance for Connecticut, died at New Haven, November 5, aged seventy-five years. He was a native of Walcott, Conn., and a veteran soldier of the Civil War. He was appointed chief clerk of the Insurance Department in 1891 under Commissioner Fyler, and commissioner in 1902, serving until July 1, 1907.

Mr. E. J. Calley, of Chicago, now and for twenty-three years State agent of the London Assurance Corporation for Illinois, Wisconsin, Minnesota and North Dakota, has at his own request had his field reduced to Illinois only, and this with a view of ultimately retiring from the insurance business entirely.

Mr. H. J. Schrup, who is secretary of the Dubuque Fire and Marine, was on Tuesday elected an Iowa State Senator from the Dubuque district, receiving double the vote of his opponent. His long experience should be of value in the drafting of new insurance laws the coming session.

The late William H. Blackford, president of the Maryland Life, left his estate to be held in trust by his wife and son, they to have two-thirds and one-third, respectively, of the income. At the death of Mrs. Blackford the son is to receive $50,000, and stepson $20,000.

Mr. M. W. Torrey, recently elected vice president of the Manhattan Life after long service as actuary, was in Chicago this week on a Western trip, which will take him as far as Denver, returning through the South.

Mr. John P. Kilgore, formerly with the Northwestern Mutual Life in Massachusetts, has been elected superintendent of agencies for the Abraham Lincoln Mutual Life of Philadelphia.

Mr. D. R. McCraw, of Boston, has been appointed United States manager of the marine department of the Commercial Union, with headquarters in the company's New York office.

Mr. Charles A. Page, of San Francisco, died October 26, aged fifty-five years. He was special agent for the Home of New York in northern California and Nevada.

Mr. C. B. Gaillard, of the Colonial insurance company, has resigned to become agency superintendent of the General Fire of Paris for the Eastern States.

Mr. George C. Simpson has resigned as local manager at Cleveland for the Royal, and will become secretary of the Stafford-Goss-Bedell Company.

Mr. Duncan H. Scott, manager of the personal accident and health department of the Maryland Casualty, died November 7 at Roanoke, Va.

Mr. Milton S. Palm, a prominent local agent at Reading, Pa., died November 1, of paralysis, aged fifty-nine years.

Mr. William B. Maxson, a prominent Cleveland fire insurance agent, died this week while undergoing an operation.

Mr. Frank Lock, United States manager for the Atlas of London, left Thursday to spend a month in Mexico.

Casualty and Surety Insurance.

Among the **unusual accidents** of the week were these: A Boston lawyer was seized with illness while in his bathtub and drowned there.

Using gasoline by mistake for water in attempting to extinguish a fire at Stonington, Me., a mother was seriously burned, and her two small children perished in the fire which followed.

Four persons were asphyxiated by illuminating gas at Newark, N. J., in one day.

The loud snapping of a coupler frightened a switchman near London, England, so that he died of hemorrhage of the brain.

A Shamokin, Pa., boy was scalded to death by falling into a tub of boiling water just poured out by his mother.

Because an overworked motorman at Newark slept while the car was running it crashed into a work car ahead and numerous passengers were injured.

A twelve year old boy at Monticello accidentally shot and killed his grandmother while adjusting a rifle.

A runaway team at Boonton, N. J., dragged their driver half a mile under the wagon, death resulting.

A Newark factory worker was whirled around a shaft and killed almost instantly.

Three men were killed by the explosion of a threshing machine boiler at Lapeer, Mich.

A Brooklyn real estate dealer was thrown from a polo pony and his skull crushed.

A few years ago, says the *Continental Agents' Record*, **accident insurance** was looked upon as a luxury, while today it is a necessity. The number of accidents reported to the number of fires is 113 to 1! Yet scarcely anybody goes without fire insurance. A man can die once—just once. He is certain to be sick or hurt many, many times. Despite this fewer people avail themselves of health and accident insurance than any other customary form of protection. A man can replace his property damaged or destroyed by fire. But what happens when his income producing hours are unprotected? Appendicitis lays him low; his good right arm is cut off; fever consumes his vitality during long hours of illness; a sprained ankle keeps him from business. His outgo is increased thereby. The doctor, nurse, druggist, undertaker deplete his savings. Is his income increased? Certainly not. Is it even maintained? Certainly not—unless he is a retired millionaire, or he has had the prudence, foresight, common sense to have obtained income insurance. More than 500,000 industrial accidents are recorded every year in this "enlightened" land of ours. There are 445,600 minutes in a year. Every time the clock ticks off a minute during the whole twenty-four hours somebody, somewhere, has been hurt, in a mill, factory or shop, to say nothing of those hurt while traveling, or at home, or while at play. Still, more than 1,000,000 in this country are ready to testify to the worth of accident insurance. They have all been paid claims. The leading health and accident insurance company in the world—the only one operating in every State in the United States—the only one paying a claim every three minutes and twelve seconds (your company)—has paid out $10,000,000. Think what a vast sum that is!

From a British Blue Book just issued, it appears that the total number of persons employed at mines and at the quarries under the quarries act in the United Kingdom and the Isle of Man during 1909 was 1,126,372 (1,042,435 at mines and 83,937 at quarries), or a net increase of 23,157 as compared with the preceding year. Of the persons employed at mines 835,116

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worked underground and 207,319 above ground, 6,168 of the latter being females. There were 1,303 separate **fatal accidents in and about mines and quarries,** causing the loss of 1,577 lives, or an increase of 140 deaths as compared with the previous year. Of this number 1,220, causing the loss of 1,493 lives, happened at mines, and 83, causing the loss of 84 lives, at quarries, or, expressed in the number of persons employed, the death rate from accidents per 1,000 persons at all mines was underground 1.621 (or surface and underground 1.432), as compared with 1,467 underground (or 1.322 persons employed at surface and underground) for 1908. The gain in safety over a long period of years is evidenced by the fact that reckoning from 1851 to 1905, each quinquennial period shows a steady decrease in the loss of life per 1,000 persons employed, that for the five years ending 1905 being 1.287, as compared with 4.301 for the five years ending 1855. The average for the four years ending 1909 was 1.342. The death rate per million tons of minerals raised during 1909 was 5.23, as compared with 19 for the year 1851, and the death rate per million tons of coal only was 5.32. The total number of persons disabled by accidents for more than seven days was 154,740 at mines and 4,856 at quarries, as compared with 143,258 and 4,809, respectively, in the preceding year.

Proposals regarding **invalidity insurance in Great Britain** are advanced by the Association to Advocate National Contributory Insurance Against Invalidity and Old Age, which the London *Spectator* describes as "an influential body." In outline these proposals are:

1. One or more insurance offices to be created ad hoc by the Government. 2. The insurance to be compulsory on all persons over sixteen years resident in the United Kingdom, and engaged in work for salaries or wages not exceeding £130 a year, the expression "wages" being taken in its widest sense, and being intended to include remuneration for piece work, indirect emolument, and remuneration in kind. 3. The insured to be divided into five classes: Earning under £26 a year, between £26 and £52 a year, between £52 and £78 a year, between £78 and £104 a year, between £104 and £130 a year. 4. The insurance funds to provide an annuity for every injured person who becomes permanently invalided, permanently invalidity being defined as "inability to earn more than one-third of the earnings which the person insured would have earned if he or she had been in normal health, when such inability has lasted more than twenty-six weeks, and is of a permanent nature."

Commenting on this scheme, the London *Spectator* says:

We cannot declare any faith in the further suggestion that no benefit should accrue until after the payment of 200 weekly subscriptions and twenty-six weeks' invalidity—in other words, until four and a half years have elapsed. Hundreds of invalided workers will have expired by the end of that period, and will have thus done a double service to the fund by contributing to it and saving future calls by expiring. As a punitive condition for malingerers the plan would be excellent, but great injustice would be done to bona fide workers, who get infinitely better terms from their present sick unions and friendly societies.

The work of compiling the statistics of the **experience of the burglary insurance companies** is now progressing favorably in the office of the Burglary Insurance Underwriters' Association. The value of the figures already obtained is seen by the report of the secretary for the first nine months of the year. The losses paid by six of the sixteen companies in the association total $90,000, of which $54,000 was paid for jewelry, $8,500 for silverware, $2,700 for money taken and $25,000 for miscellaneous articles. Losses were mainly in occupied buildings. In private dwellings the losses were 67 per cent., flats 19 per cent. and apartments with janitor service 14 per cent. Burglarious attack was made in 55 per cent. of the cases, while sneak thieves operated in 16 per cent., an equal percentage was chargeable to theft by servants, and 13 per cent. was ascribed to unknown causes.

The **liability insurance experience** of British companies in 1908 is published in the report recently issued by the Board of Trade. The companies operating under the tariff made an underwriting profit during the year 1908 of 2 2-100 per cent. The non-tariff companies during the same year made an underwriting loss of 31-100 per cent. Thus the average profit for all companies was 1 71-100 per cent.—wholly inadequate to the hazardous nature of the business. The premium receipts of thirty-five tariff companies during 1908 amounted to £2,030,935, on which the total amount of profit was £41,111. Thirty non-tariff companies are credited with premiums amounting to £571,325, and the business of these companies, as a whole, resulted in a loss on trading account of £8,092. As there has been no material advance in liability rates since 1908, the figures relating to profit and losses are approximately representations of conditions existing today.

Down in Chattanooga, Tenn., the **Interstate Life and Accident Company** is getting under way in a shipshape manner without overloading her spars with any high pressure canvas. In a comparative statement for the months of July, August, September and October the company shows a steady and substantial gain in loans on real estate from $33,275 on August 1 to $65,045 on November 1, with collateral loans in addition amounting to $628.20. These items, together with certificates of deposit, $16,045; cash, $3,392.86; furniture and fixtures, $883.05; bills receivable, $96,229.11, and sundry items amounting to $578.25, give the company total assets on November 1 of $182,801.47, as against $155,536.47 on August 1. The company is ably managed, and has recently been elected a member of the Detroit Conference.

The stockholders of the **National Surety Company** voted on Wednesday to increase the capital stock to $1,500,000. Of the increase the present stockholders will receive 33⅓ as a stock dividend, the remaining 5,000 shares to be sold to new interests recently identified with the company. The following additional directors were elected: Samuel McRoberts, vice president of the National City Bank; Felix Warburg, of Kuhn, Loeb & Co.; James N. Wallace, president of the Central Trust Company; David R. Forgan, president of the National City Bank, Chicago, Ill.; William D. Baldwin, president of the Otis Elevator Company; Joel Rathbone, vice president of the company. The increase of capital will enable the company to enter several new fields of activity.

A **new bank burglary policy** has been prepared by the fidelity and burglary insurance committee of the American Bankers' Association, which it will ask the companies to adopt for the insurance of its members. It provides for twenty-four hour coverage, whether losses occur by burglars only or by their compelling employees of the bank to open safes or vaults, and also covers holdups within the bank. A classified schedule of approved safes is included in the form.

In a Syracuse case the New York Court of Appeals has decided that the **liability of an employer** continues beyond accidents to his employees where injury to others results from continued negligence of his employees. In this case bolts and rivets were thrown into the yard of the adjoining premises by employees from the factory windows, personal injury resulting, for which a verdict against the employing company was sustained.

The fidelity department of the Fidelity and Casualty of New York reports that for September the total **defalcations reported** were $1,076,614, of which amount banks and trust companies lost $651,500, general business $414,422, the balance coming from miscellaneous sources.

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The business of the **Badger Protective Association** of Green Bay, Wis., which is writing health and accident business on the mutual basis, is to be taken over by the Badger Casualty Company, now being organized on the stock basis with $100,000 capital.

The **Pacific Coast Casualty** has appointed R. J. Kerr, formerly with the United Surety of Baltimore, as manager of the company's bonding business in the office of Whilden & Hancock, the company's New York and New Jersey general agents.

There is a possibility that a **merger of rates** for employers' liability and workmen's compensation policies may follow the enactment of the new laws in New York State. Liability underwriters are said to be seriously considering the matter.

The resignation of **Arthur H. Connolly**, of San Francisco, assistant Pacific Coast manager of the National Surety, to become manager of the fidelity and surety department of the Maryland Casualty for northern California, is announced.

A paper on **"Employers' Liability and Railroad Relief Departments,"** by J. N. Redfern, superintendent of the Burlington's relief department, is to be given at the meeting of the New York Railroad Club next Friday evening.

The Travelers has appointed **Eugene F. Hord**, formerly with the Maryland Casualty, as chief of its investigating force in New York. Benjamin Brooks takes the place vacated by Mr. Hord.

The Comptroller of the Currency has approved the application to organize the **First National Bank** of Newville, Newville, Ala., capital $25,000.

Plate glass underwriters in New York are considering the establishment of a **survey bureau** to reduce the expense of a multiplicity of surveys.

The revision of the **dollar-a-month policy** is a matter now under consideration by the executives of the companies writing them.

The directors of the **American Liability** of Cincinnati met on Friday to consider the reorganization of the company.

The **London Guarantee and Accident** has been examined in connection with its application to enter Ohio.

Accident insurance companies report a much **larger claim ratio** this year than for 1909.

Obituary.

Death of Insurance Commissioner Crouse.

The death took place on last Tuesday at his home at Westminster, Md., of Benjamin F. Crouse, Insurance Commissioner of Maryland. He had been in impaired health lately, and the event was not unexpected.

Mr. Crouse had been at the head of the Maryland Insurance Department since December, 1905, and received a reappointment last year for another term of four years. He was a native of Westminster, where he was born in August, 1854. He received his education in the public schools, the Collegiate Institute and the Western Maryland College, and was graduated from the last named institution in 1873. He was admitted to the bar in November, 1875, and practiced his profession until 1890, when he was appointed clerk of the Circuit Court of Carroll County. In November, 1899, he was re-elected for a term of six years.

In February, 1900, he was appointed deputy comptroller of Maryland, and held that position until he was appointed Insurance Commissioner.

In the councils of the insurance commissioners of the different States Mr. Crouse was always active and prominent. At the annual meeting of the National Convention at Detroit in 1908 he was elected president, and served to the following year. At the time of his death he was chairman of the committee on fidelity and surety companies. Among his own people he was highly esteemed and popular, as was evidenced by his long connection with public affairs. He leaves a widow.

President Button of the National Convention of Insurance Commissioners appointed a committee to attend the funeral, composed of Commissioners Young of North Carolina, McCulloch of Pennsylvania and Darst of West Virginia, and also himself attended the services, which took place at Westminster Friday morning.

Official Reports.

New York Fraternal and Assessment Insurance Report.

Part IV of the New York State Insurance Department report for 1910 was issued this week. It covers the business of 1909 of the assessment life and accident associations and the fraternal beneficiary societies doing business in this State. The statements of these associations as printed have been audited, not only as to their general financial items, but also as to their security holdings.

In a summary of the contents of the report the department says:

This volume includes for the first time the statements of the town and county co-operative fire insurance associations, which were brought under the supervision of the department by the provisions of Chapter 328 of the laws of 1910, being new Article IX of the insurance law. Owing to the lack of uniformity in the methods of accounting used by these associations it has been found impossible properly to audit their statements for 1909. This will be corrected as soon as it is found possible to do so, probably in the report for next year, it being one of the duties of the department under the new law to issue certificates of authority to these not later than January 1 next, and it being its intention to accompany such certificates with instructions and report blanks that will accomplish the necessary uniformity in accounting and returns. The territory in which these associations are allowed to do business is restricted by statute. They are divided into three classes as follows:

Advance premium corporations which may write business in any or all counties of the State when their insurance in force exceeds one million dollars. County associations which may write business in not more than five counties adjoining that in which the principal office is located, when their insurance in force exceeds two hundred thousand dollars. Town associations which may write business in any or all towns of a single county after their insurance in force exceeds fifty thousand dollars. None of these associations, however, can write insurance in cities of more than six hundred thousand inhabitants. They are also restricted as to the amount at risk on a single policy. The following total figures of the 146 co-operative fire associations reporting are taken from their 1909 statements:

Premiums and assessments received	$1,369,242
Other income	183,856
Total income	$1,553,098
Losses paid	$1,030,838
Other disbursements	537,638
Total disbursements	$1,568,476
Insurance in force	$429,401,371

The volume also contains the detailed statements of the life, accident, fraternal and town and county co-operative fire insur-

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ance companies which have been placed in the hands of the department for liquidation under the provisions of Section 63 of the insurance law. Such statements have been prepared by the special deputy superintendents of insurance appointed from time to time under this section of the law.

The comparative figures for the years 1908 and 1909 covering assessment life and accident associations and fraternal beneficiary societies are as follows:

ASSESSMENT LIFE AND ACCIDENT ASSOCIATIONS.

	1908.	1909.
Assets	$15,097,457	$17,283,476
Liabilities	$13,169,008	$15,286,296
Received from members	$7,380,997	$7,897,195
Total income	8,241,233	8,690,213
Losses and claims paid	$4,635,902	$4,874,944
Expenses	1,677,631	1,591,406
Total disbursements	$6,313,533	$6,466,350
Insurance in force	$778,690,357	$837,658,365

FRATERNAL BENEFICIARY SOCIETIES.

	1908.	1909.
Assets	$76,715,408	$89,080,329
Liabilities	$9,871,523	$10,432,912
Received from members	$70,037,647	$73,530,586
Total income	73,438,636	77,793,762
Losses and claims paid	$55,216,885	$57,395,114
Expenses	7,867,999	8,418,875
Total disbursements	$63,084,884	$65,813,989
Insurance in force	$5,442,427,475	$5,701,856,634

Miscellany.

An Elaborate Request for Information About Fire Insurance Business Asked by the Legislative Investigating Committee.

Chairman Merritt of the New York Legislative Investigating Committee has addressed the following letter to each of the fire insurance companies engaged in business in the State of New York:

55 Liberty St., New York, Nov. 4, 1910.

Dear Sir—I desire to be able to present to the Legislative Investigating Committee some figures showing the actual experience of fire insurance companies on certain classes of risks, and also figures with regard to the amount at risk in certain congested districts. I request you to send to this committee at your earliest convenience the data called for below with regard to your company.

I may say that it is not probable that this information will be used as of individual named companies; it is the present intention to use it simply as combined experience, but no positive assurance of this can be given.

1. Information for the whole of the United States or such part thereof in which the company operates (in case the company operates under more than one department the experience of each department separately is requested) as follows for each of the years 1907, 1908, 1909:

a. Amount of risk.
b. Premiums.
c. Losses.
d. Loss ratio.
e. Burning ratio on each of the following classes:

Class.
1. Dwellings (not including farm dwellings).
2. Schools.
3. Churches.
4. Public buildings.
5. Farm dwellings and property.
6. Wholesale mercantile, buildings.
7. Wholesale mercantile, contents.
8. Retail mercantile, buildings.
9. Retail mercantile, contents.
10. Warehouses, buildings.
11. Whiskey warehouses, contents.
12. Packing house warehouses, contents.
13. General storage warehouses, contents.
14. Furniture warehouses, contents.
15. Tobacco warehouses, contents.
16. Fibre warehouses, contents.
17. Cotton warehouses, contents.
18. Woodworking establishments.
19. Metal working establishments.
20. Textile factories.
21. Soap factories.
22. Miscellaneous manufacturing establishments (not included in Classes 18, 19, 20, 21).
23. Electric light and power plants.
24. Grain elevators.
25. Grain elevators, contents.
26. Other special hazards (no manufacturing).
27. Ice houses.
28. Sprinklered risks.
29. The business as a whole.

Note—Classes 6 to 26 should be separated into sprinklered and non-sprinklered.

2. *a*—Amount at risk.
b—Premiums received thereon.

Both gross and net, as of the date of the receipt of this communication, in the following districts:

1. The district in New York city bounded by Chambers street, the Bowery, Fourth street and West Broadway.
2. The metropolitan district of New York city.
3. The district in Philadelphia bounded by Delaware River, Race street, Thirteenth street and Walnut street.
4. The district in Chicago bounded by Michigan avenue, the Chicago River and Harrison street.

In case any part of the above information cannot be given please state reasons therefor.

In any case where there is serious question as to what is to be included under the different classes in 1, please make clear what basis you have used. Very truly yours,

E. A. Merritt, Chairman.

The Mutual Life Insurance Company Voluntarily Limits the Volume of Its New Business Hereafter

The Mutual Life insurance company of New York has made the following official announcement to its policyholders:

The board of trustees of the Mutual Life insurance company of New York has, on October 26, 1910, passed unanimously the following resolution:

Whereas, The limitation of new business substantially as heretofore provided by law is eminently in the interest of the company's policyholders, and should be perpetuated by this board; and

Whereas, The limit for paid-for business, until the recent change in the law, has been $150,000,000 in any one year, which limit should be substantially preserved, although for technical reasons a margin should be added of about $20,000,000 for policies issued but not yet paid for at the close of each year; therefore be it

Resolved, That the issue of policies be hereafter so restricted that the amount of new policies paid for in any calendar year, together with the policies issued but not yet paid for at the close of the year, shall not exceed $170,000,000.

The purpose of the foregoing resolution is to limit the expenses of conducting the business so that the policyholders may get the largest possible dividends on their policies. In taking this action the board is not deprived of its right to modify the above limitation in its discretion.

Accompanying the announcement is a statement prepared by Emory McClintock, vice president and actuary of the company, presenting the reasons upon which the action of the board of trustees has been based. It is addressed to President Peabody. The following are extracts:

In addressing to you this proposal for meeting the emergency which has arisen from the discontinuance of the law which limited the new business annually by the companies to $150,000,000, I have first of all, your concurrence in and approval of the views which I shall express. Like concurrence has been deliberately and freely given by the general counsel of the company, and by those second vice presidents who have special

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charge of the departments most affected, besides my own, namely the agency and medical departments.

My present object is to lay before the board of trustees, if previously approved by the committee on insurance and agencies, the reasons for continuing the former limitation, substantially as it is, by a voluntary act of the company.

First, let me explain what I mean by using the word "substantially." Under the late law the limit of $150,000,000 was prescribed for the insurance which might be paid for in any calendar year. This requirement involved a practical difficulty which was not foreseen when the law was drawn. A company can always know at any given time what policies have been issued, because they are issued at its own office. It cannot know at any given date just what policies have been paid for, because payments are made at a hundred offices in all parts of the world. As the returns for December 31 cannot be finally made up until early in January, when all the branch offices have reported which policies have been paid for, a considerable margin must be allowed for safety, since otherwise the legal limitation might be exceeded.

To obviate this difficulty I propose to include in the enumeration not only the policies paid for in the calendar year whenever written, as provided in the late law, but also such policies as, because they are not yet paid for, happen to be outstanding at the close of the year, the whole not to exceed $170,000,000. As the course of business is now running, a variable amount, considerably more than $10,000,000, but no doubt less than $20,000,000, is necessarily left outstanding at the end of the year. The exact amount paid for when the company's new limit is operative will probably be slightly more than the $150,000,000 fixed by the late law.

The limitation will be a strikingly popular feature, becoming for various reasons more and more advantageous as time goes on. Circulars will be issued explaining to agents and to the public the beneficial effect of the limitation as tending to increase the annual dividends to policyholders. The company already finds its large dividends attractive to applicants, as far as they have heard of them. This usually means applicants for new policies who are already themselves insured in this company on old policies on the annual dividend plan, because agents do not usually find any statement at all about dividends to be necessary to the average applicant. Concerning dividends, our agents usually say, if they say anything, that those of this company are as good as any. In special cases, and particularly in competition with other companies, stress is laid on the dividend argument, and our agents are getting more and more to appreciate its strength and effectiveness. In general, the dividend argument is the best possible one to use in conversation. It creates and strengthens the "good will" of the business. That good will is not much talked about, but it is the backbone of our popularity. It is maintained and increased by the satisfaction of our policyholders with their dividends, and by the testimony of policyholders and agents of other companies. The agent of any other company who is asked casually concerning the standing of this company, and who does not happen to be in immediate competition, will usually say that it is a very good company, next to his own. He would not say such a thing if he did not know how good our dividends are, as well as how old and how strong our company is. Up to a quarter of a century ago such outside testimony was practically unanimous in favor only of the Mutual Life. Since then the current has run in favor of the Northwestern as the best company, but there are signs of its already turning to the old favorite.

Agents of the company may feel at first some uneasiness on hearing the announcement of the prospective limitation, even though it may be years before it can take effect. They may suppose that it will somehow affect their income, and if so, it would act as a wet blanket on their enthusiasm. It is true that the company is as yet far short of the amount of new business contemplated, and in fact no company in the world has within recent years issued $150,000,000. The benefits to policyholders certain to accrue in future will of course be understood and appreciated, but agents may naturally have a feeling that the system may eventually injure their personal income. This fear will not last long, because of the plain distinction which must be drawn between a limit upon the total amount issued by the company and the limitless amount of insurance which may be issued by any one agent. Individual agents will not feel the limitation at all, but will be as free as ever to take all good business that comes in their way. The reason is that last year's agents die or resign in numbers so great that the business cannot be kept up without getting some new agents to take their place. The agents who remain in any year may therefore feel free to use all their energies the next year, the limitation of the total amount having no effect except upon the engagement of new agents, which will be somewhat curtailed.

A positive statement that the company will now, of its own accord, continue the limitation heretofore imposed by law, will be welcomed by those policyholders who understand the merits of the case. The public has not heretofore been advised by us of the existence of the limitation law because it had not begun to affect our business. The company has meanwhile felt satisfied with the law as it stood, believing that after the end of next year the time would come when the practical advantage of the limitation would more and more be universally recognized. As soon as the limit should come to be in actual operation concerning this company's business it was our intention to bring the fact prominently before the public, possibly by advertising in the press, certainly by the company's own publications, and by the active exertions of its numerous agents. The law being changed, it is desirable that some appropriate action be taken to continue the prospective benefits taken away by the change. * *

Unless the company's business after next year is limited as suggested, I do not think that the annual dividends after 1911, which ought to be substantially better than those of 1910, can be permanently maintained on the enlarged basis, namely, a permanent basis giving each year the same dividend as was paid the year before on a similar policy issued one year earlier. This is what is meant by continuing a certain basis of dividends, upon which naturally each policy as it gets a year older receives on the same premium a slightly larger dividend. After 1911, or possibly after 1912, the regular surplus earnings of the company can no longer be depended upon to meet the increasing expense. both first year and renewals, of our growing business, supposing the business to increase beyond the limit heretofore fixed by law. I assume, of course, that the business conditions remain unchanged. We are apparently increasing our business from $100,000,000 at the beginning of 1910 to perhaps $125,000,000 at its close, which would be an increase of 25 per cent. In 1911 further increase is likely, and we may possibly even reach our limit of $150,000,000, a limit which, whenever it may be reached, we should maintain practically unchanged for all time to come, unless, indeed, contrary to all present possibility, some feasible means should be found in the future to increase the annual business without cost to existing members.

After such time as the business has attained what I consider its normal magnitude, any increase of business must be at the cost of the annual dividends to policyholders, either positively, by a slight diminution in the scale of the annual dividends, or relatively by making a smaller increase. Is not this company bound in these circumstances to limit its business for the express purpose of making the largest possible dividends?

Mr. McClintock afterward proceeds to state in order certain points under which he discusses their features in detail. These points are: First, the company does not need to fix a limit below that already fixed by the late law; second, the greater the size of any company the smaller must be its percentage of annual growth; third, the oldest and strongest company in this country, and with one exception the largest in the world, should take the lead in a voluntary limitation; fourth, the proposed action is timely; fifth, what is saved in the expense of new business goes to increase the dividends of the policyholders; sixth, increased dividends diminish lapsing, thereby causing a still further increase in dividends; seventh, under limitation the quality of our risks will be improved, thus again adding to the dividends; eighth, still further economies are practicable under limitations which will again add to the dividends; ninth, under the limitation, discord concerning the main object of the company's organization cannot arise; tenth, a limitation is just, because the dividends belong to the policyholders, who own the company and who are the company.

Net Surplus and Capital, $486,413
Income 1909, . . . 1,146,723

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Reinsurance and all Liabilities	4,349,097.67
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Liabilities	902,438.61
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CONNECTICUT MUTUAL LIFE INS. CO., Hartford, Conn.

Please mention this paper

1860 50TH YEAR 1910

HOME LIFE INSURANCE COMPANY

OF NEW YORK.

GEORGE E. IDE, President

ASSETS, $23,626,018.63 LIABILITIES, $21,858,691.52 (Including Deferred Dividend Fund)

Dividend-Endowment Fund (Deferred Dividends)	$2,119,044.00
Net Surplus	1,767,327.11
Insurance in Force	92,532,583.00

The Record for 1909 shows the following GAINS:

Insurance in Force	$4,164,239.00
Assets	1,917,117.00
Deferred Dividend Reserve	148,581.00
Contingency Reserve (Surplus)	655,149.17

OLDEST IN AMERICA STRONGEST IN THE WORLD

The Mutual Life

Insurance Company of New York

Mutual Life Agents Make Most Money Because Mutual Life Policies Sell Most Freely

For terms to producing agents address:

GEORGE T. DEXTER, 2d Vice-President,

34 Nassau Street, New York, N. Y.

[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1, 1910

CAPITAL

$1,500,000

RESERVE FOR ALL OTHER LIABILITIES

8,222,018

NET SURPLUS

6,440,211

ASSETS

16,162,229

GERMANIA

FIRE INSURANCE COMPANY

Organized 1859 NEW YORK

Cash Capital	$1,000,000.00
Assets	$6,568,239.14
Net Surplus	$3,008,419.02
Surplus for Policy Holders	$3,008,419.02

HEAD OFFICE: Cor. William and Cedar Streets

The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1910	$3,470,509.30
Total Liabilities, except Capital	1,920,837.24
Capital	500,000.00
Surplus to Policyholders	1,549,672.06

F. F. BUELL, Special Agent, Troy, N. Y.

Provident Life and Trust Co.

OF PHILADELPHIA.

The Provident has been particularly distinguished for the development of a highly trained force of agents. The systematic instruction which its agents receive has resulted in their being recognized as representatives of exceptional knowledge of the business and of marked efficiency.

Insurance Company of North America

FOUNDED 1792

232 Walnut Street, Philadelphia

Assets, January 1, 1909 ..... $12,014,062.63

LIABILITIES—Reserved for Reinsurance and all other claims	$7,263,156.97	
Capital Stock	3,000,000.00	
Surplus over all Liabilities	1,750,905.66	$12,014,062.63

Agents in all the principal towns and cities.

EUGENE L. ELLISON, President.

T. HOUARD WRIGHT, Secretary. HENRY W. FARNUM, Assistant Secretary.

BENJAMIN RUSH, Second Vice President. JOHN O. PLATT, Assistant Secretary.

Surplus to policyholders, $4,750,905.66.

Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

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HOME OFFICE OF THE

Metropolitan Life Insurance Co.

INCORPORATED BY THE STATE OF NEW YORK

The Company OF the People, BY the People, FOR the People.

PROOF OF PUBLIC CONFIDENCE

This company has more premium paying business in force in the United States than any other Company, and for each of the last 16 years has had more New Insurances accepted and issued in America than any other Company.

The number of Policies in force is greater than that of any other Company in America, greater than all the Regular Life Insurance Companies put together (less one), and can only be appreciated by comparison. It is a greater number than the Combined Population of Greater New York, Chicago, Philadelphia, Boston, St. Louis, Cleveland, Cincinnati, San Francisco, Pittsburg, Baltimore, New Orleans and Buffalo.

ASSETS.	
Municipal and R. R. Bonds and Stocks	$123,346,161.39
Bonds and Mortgages	105,183,172.62
Real Estate	23,311,215.72
Demand Loans on Collateral	172,930.00
Cash	5,420,643.42
Loans to Policyholders	11,193,245.61
Premiums, deferred and in course of collection (net)	5,190,288.45
Accrued Interest, Rents, etc.	3,290,211.85
Total	$277,107,868.46

LIABILITIES.	
Dividends payable in 1910	$6,938,793.66
Reinsurance Fund and Special Reserves	237,213,384.00
All other Liabilities	3,053,470.82
Capital and Surplus	29,902,219.98
Total	$277,107,868.46

Largest Office Building in the World—Madison Avenue, Fourth Avenue, 23d Street and 24th Street, New York City.

SIGNIFICANT FACTS

This Company's Policy-claims paid in 1909 averaged in number one for every 63 seconds of each business day of 8 hours each and in amount $140.81 a minute the year through.

THE DAILY AVERAGE OF THE COMPANY'S BUSINESS DURING 1909.

456 per day in number of Claims Paid.

6,585 per day in number of Policies placed and paid for.

$1,463,755 per day in New Insurance placed and paid for.

$183,403 75 per day in Payments to Policyholders and addition to Reserve.

$182 172.72 per day in Increase of Assets.

OFFICERS

JOHN R. HEGEMAN.....President
HALEY FISKE.....Vice President
GEORGE H. GASTON....2d Vice President
GEORGE B. WOODWARD..3d Vice President
FRANK O. AYRES.....4th Vice President
F. F. TAYLOR.....5th Vice President
JAMES M. CRAIG.....Actuary
STEWART L. WOODFORD.....Counsel
WM. J. TULLY.....General Solicitor
FREDERICK H. ECKER.....Treasurer
WALTER STABLER.....Comptroller
JAMES S. ROBERTS.....Secretary
JOHN R. HEGEMAN, Jr....Asst. Secretary
J. J. THOMPSON.....Assistant Secretary
T. R. RICHARDSON.....Assistant Secretary
GEORGE B. SCOTT.....Assistant Secretary
FREDERICK A. BETTS...Assistant Secretary
GEORGE C. PENHALLOW...Asst. Secretary
THOMAS H. WILLARD, M. D..Med. Direct.
AUGUSTUS S. KNIGHT, M. D..Med. Direct.
W. S. MANNERS, M. D..Asst. Med. Direct.
E. M. HOLDEN, M. D....Asst. Med. Direct.
D. M. GEDGE, M. D.....Asst. Med. Direct.

I. J. CAHEN.....Manager Ordinary Dept.
LEE K. FRANKEL, Ph. D..Mgr. Indus'l Dept.
J. BERGEN OGDEN, M. D..Asst. Med. Direct.
JACOB CHADEAYNE..Mgr. Interm'd'e Branch

Paid to Policyholders since Organization, plus the Amount now invested for their Security, $587,223,523.83.
Number of Policies in Force, 10 621 679. Amount of Outstanding Insurance, $2.041,951,700.00.

Prosperously Busy!

Our agencies are steadily increasing this year's lead over the figures of our high record in 1909.

Our agents are prosperously busy With Business Life Insurance and our unequaled Continuous Monthly Income policy they are reaching and satisfying the public and liberally rewarding themselves.

Inquiries invited from *delivering* producers.

GEORGE D. LANG, Superintendent of Agencies

MASSACHUSETTS MUTUAL LIFE INSURANCE CO.

SPRINGFIELD, MASSACHUSETTS

INCORPORATED 1851

National Life Insurance Co.

MONTPELIER, VERMONT.

Established in 1850. Operating in 36 States.

JOSEPH A. DeBOER, President.

FRED A. HOWLAND, Vice-Prest. OSMAN D. CLARK, Secretary.
JAMES B. ESTEE, 2d Vice-Prest. H. M. CUTLER, Treasurer.
A. B. BISBEE, Med. Director. C. E. MOULTON, Actuary.

This Company held January 1, 1910, and gained during the past decade:

ASSETS,	$47,490,998.98	- Gain, 167%
LIABILITIES,	41,661,130.12	- Gain, 162%
SURPLUS,	5,829,868.86	- Gain, 211%
INSURANCE,	161,428,115.00	- Gain, 79%

ABSOLUTE SECURITY AND ECONOMY OF MANAGEMENT

J. G. WALKER, President.
T. WM. PEMBERTON, 1st Vice-Pres. W. L. T. ROGERSON, 2nd Vice-Pres.
E. D. HARRIS, Secretary.

Organized 1871.

Life Insurance Company of Virginia

HOME OFFICE, RICHMOND, VIRGINIA

The OLDEST Southern Life Insurance Company.
The LARGEST AND STRONGEST Southern Life Insurance Co.
The PIONEER Southern Industrial Life Insurance Company.

Its policies are clear and definite in their provisions, and their values are absolutely guaranteed.

Assets, December 31, 1909	$5,872,691.99
Liabilities, December 31, 1909	4,312,405.82
Insurance in force December 31, 1909	68,337,613.00
Total payments to policyholders since organization	9,820,412.49

Your Ability is What Counts

in selling Life Insurance. Contract with a Company that will help you develop that ability and that will put attractive and popular policies in your hands.

Write us today about an agency.

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA.

Incorporated as a Stock Company by the State of New Jersey.

JOHN F. DRYDEN, President Home Office, Newark, N. J.

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GUARANTEES—NO ESTIMATES

ARE ALL POLICIES OF

American Central Life Insurance Co.

INDIANAPOLIS, INDIANA.

INSURANCE IN FORCE, $25,000,000. ASSETS $2,462,000

High Class Salesmen Wanted in

Tennessee, Missouri, Arkansas, Alabama, Michigan, Pennsylvania, Ohio, Indiana, Illinois, Texas, Kansas, Oklahoma and Kentucky

A NEW PLAN

OF COMPENSATING SALESMEN

Write for Information Today

1894 1910

The State Life Insurance Company

Indianapolis

UNEQUALED IN SOLID ACHIEVEMENT

Assets Dec. 31, 1909, $8,580,830.58. Surplus 1909, $1,174,606.34

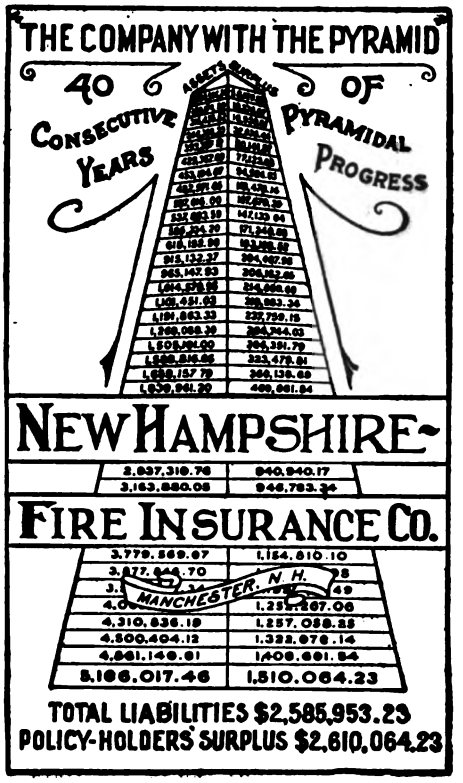
GROWTH UNPARALLELED

	Gain in Admitted Assets	Gain in Surplus
1907	$1,001,409.00	$27,775.00
1908	1,023,700.00	158,161.00
1909	1,201,977.14	314,044.74

Eight Million Dollars in Securities Deposited With the State of Indiana.
This is $848,861 more than is required by law.

MOST ATTRACTIVE AGENCY CONTRACTS
Our Own Idea.
Every Contract Direct With the Company.
Scores of Good Men Have Joined the State Life Field Force since January 1, 1910.

On all Agency matters address: CHAS. F. COFFIN, 2d Vice-Pres., 1231 State Life Building



Fidelity (Fire) Underwriters

OF NEW YORK

Three Fidelity Underwriters Maxims:

Overhead writing is underhand dealing.

Profit sharing commissions make positive incomes.

A great company is a big company whose principles equal its assets.

Home Office: 46 Cedar St., New York

Western Office: 280 La Salle St., Chicago

Incorporated 1855

THE

JEFFERSON FIRE

INSURANCE COMPANY

OF PHILADELPHIA

In Business Fifty-four Years. Surplus to Policy-Holders, Over $450,000.

AGENCY DEPARTMENT, 425 WALNUT STREET, PHILADELPHIA.

AGENTS WANTED AT ALL DESIRABLE POINTS.

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The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

VOL. LXXXIII. NEW YORK, SATURDAY, NOVEMBER 19, 1910. No. 21.

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

THE principle of "Stateism," or the duty of the States individually to conserve by every legislative means in their power the welfare of their citizens, appears to have been emphasized in the recent elections, and may be expected to have an important influence on the members of the House of Governors, which convenes at Frankfort, Ky., on November 29. The delegates will doubtless feel that they have received a mandate to promote the making of such laws as will protect all the rights of the people. The underwriters need to take notice of this disposition, and while it is at high temperature—as it will be at Frankfort—to bring to bear on the Governors a proper appreciation of the rights of insurance companies, as citizens whom the State is equally bound to protect. The Governors materially influence legislation by suggestion and discussion in their legislative messages, and as there are about to assemble in a few weeks some forty State legislatures, there is a prospect of very much law making ahead. To the conference of the House of Governors those newly elected executives who are not yet in office are invited, and the importance of the conference is therefore not lessened by the fact that there will be a number of outgoing officials present. The Association of Life Insurance Presidents, the National Board of Fire Underwriters and the new publicity bureau of the casualty companies should be well represented.

INTEREST in the mortality of insured infants has been revived in England by an address by Mr. Aldcroft, actuary of the Refuge Assurance Company, on the experience of his own and other companies, extracts from which we republish, and it brings vividly in view the change that has taken place in public sentiment there in the matter of child murder through insurance. A quarter of a century ago there was a violent agitation excited by half baked philanthropists, in which even General Booth, of the Salvation Army, participated, against infantile life insurance, on the claim that it induced parents to murder their insured offspring. It took a Parliamentary investigation to dissipate the charges, and since then they have died out almost completely. In fact, the industrial companies of England write the lives of infants now without criticism. Mr. Aldcroft showed by the experience of the Refuge and Prudential of London companies that the rate of mortality of insured children was very considerably lower than the expectation tables based on the general infantile mortality. The apprehension which once plagued England has not so wholly disappeared in this country, and we may anticipate some evidences of it in the forthcoming legislative season; but the campaign in Massachusetts some years ago, in which the alarmists were routed by the hard facts fired at them by Mr. Fiske, of the Metropolitan, and Mr. Dryden, of the Prudential, practically broke up the agitation in America. Perhaps the most damaging blow it received was the reminder that the lives of their children were as precious to the laboring classes as to other people. The propaganda against infantile insurance has made its mark in but one State—Colorado—which still retains a law on its statute books forbidding the insurance of minors under fifteen years of age. It is the last succesful relic of the slander upon the workingman, and should be repealed next year.

A SERIOUS blow at the constitutionality of laws empowering the State to regulate insurance rates has been struck by the decision of Judge Thomas C. Munger in the United States Circuit Court in Nebraska. That State enacted a law creating a State board to fix the rates for fidelity and surety premiums. It was contested by the American Surety Company, which has just obtained a decision from Judge Munger that the law is unconstitutional and its enforcement is enjoined. The decision is so broad in its scope that it covers all kinds of insurance rate making, and a special reference by the court to the State rating law of Kansas leaves no doubt that fire insurance was as fully in the court's mind as the kind of insurance directly affected by the decision. Indeed, Judge Munger makes no distinction in classes of insurance when he says:

> If the State may fix the amount of compensation for which an insurer may lawfully contract for furnishing such insurance, the State may dictate the price for which all other commodities shall be sold, including the price which may be paid for labor. This cannot be done. The fourteenth amendment to the Constitution protects the right of those engaged in purely private business to fix the price at which they will sell their service or commodities.

This is plain enough, and emphatic enough also. The judge recognizes the right of the State to interfere where a business is of a quasi-public character, such as that of operating grain elevators at places where it acts as a monopoly, and therefore levies unrestricted tribute on the community; but the business of companies engaged in furnishing insurance bonds has none of these characteristics, for no one is compelled to resort to the surety companies as the only source from which such bonds may be obtained. "The public interest in the business," says the court, "of such companies is no different from its interest in the business of any large manufacturing company whose capital, experience and facilities may enable it to have a widely extended patronage, but such characteristics do not make the business one which is affected with a public interest." If it should be determined by the Nebraska State authorities to appeal to the ultimate court

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there is, as the result there, significance in the quotation made by Judge Munger from a United States Supreme Court decision, in which the court said: "We start with the proposition that it cannot be presumed that a legislature intends any interference with a purely private business. It cannot ordinarily prescribe what an individual or corporation engaged in a purely private business shall charge for services." If a surety company is engaged in a private business, so equally is a fire insurance company.

Facts and Opinions.

A meeting of fire underwriters in New York city was held on Wednesday to consider **the requests made by Chairman Merritt,** of the legislative investigating committee, for statistical information regarding their business. Professor Whitney, actuary for the committee, appeared by request at the meeting, and was questioned on various points in the committee's letter. The underwriters will consider the situation and formulate a reply to the committee. Meanwhile Professor Whitney has advised the underwriters that Chairman Merritt has referred to him several inquiries received from the companies, and he makes the following statement:

It is not the desire of the committee to put the companies to an unreasonable amount of work in computing this data. It is recognized that some companies do not classify their business, and that those who do classify it do so in very different ways. It is believed, however, that most companies can, either directly from their classified experience or with a reasonable amount of adaptation, give a large part of the information asked for. A company which does not classify its preferred business must report on preferred business as a whole, stating what is thus designated. A company which does not separate its sprinklered and unsprinklered business will not be asked to make this special compilation if it presents such experience as it has. A company which has no separate experience on different classes of warehouses will make an acceptable report if a statement to that effect is given with its experience on the class as a whole. In fact, the purpose of this inquiry is partly to find out to what extent, and with what individual peculiarities the companies make classifications. As regards the second part of the request, I am advised that some companies would find it exceedingly difficult to supply the information regarding "B premiums received thereon." "B" may be omitted if it cannot be obtained with reasonable ease. "Amount at risk" is particularly wanted, however, and it is thought that it can be given by all companies which operate in the districts referred to. As regards "2" on the second page, it is found that the information desired can be obtained approximately in another way, so that that may be altogether omitted if desired.

The Supreme Court of the United States is called upon to decide upon the question whether the **interest of a divorced wife** in the policy of insurance on the life of her husband taken out during the period of their marriage ceased when he took a second wife after the divorce. Mrs. Annie Snyder, of Chattanooga, is the divorced wife, and her contention is with a fraternal order. She claims the insurance because the policy was made out to her as beneficiary, and for years, both before and after her divorce from Snyder, she paid the assessments. During the latter years she asserts that the assessments were paid on an understanding with the then head of the fraternal order that she probably would be entitled to the insurance if she continued payment of the assessments. The order contends that under its constitution and bylaws the first Mrs. Snyder ceased to have an interest in the policy when she was divorced, and the inadvertence and mistake of its officer could not have affected the contract. However, the Supreme Court of Tennessee held that in the circumstances the order was estopped from denying the claim. The fraternal order appealed to the Supreme Court of the United States, and her attorneys have made a motion that the appeal be dismissed. The court may decide when it reconvenes November 28.

The results of an examination of the **John Hancock Mutual Life** insurance company by the Massachusetts Insurance Department has been made public. The company is credited with admitted assets of $64,936,439.59, while the total ledger assets are $62,546,779.59; added to a total income for the year of $22,359,359.17, ledger assets of $54,796,902.07 as of December 31, 1908, less agents' credit balances of over $58,000, the company's gross income figures $77,098,011.49, of which the total income (ordinary department) was $8,051,274.73 and (industrial department) $11,512,634.55. Total new premiums were (ordinary department) $1,277,436.33 and (industrial department) total premiums were $11,511,857.50. Out of total liabilities of $64,936,439.59 the company has a surplus of $6,027,956.93 and a net reserve of $54,684,573. The company had in force in its ordinary department December 31, 1909, 137,040 policies, representing $224,398,561, as follows: Whole life, 106,903, representing $171,432,692; endowment, 24,247, representing $31,741,930; all other, 5,890, representing $20,068,983, together with reversionary additions of $1,154,956. On the same date there were in force in the industrial department 1,834,692 policies, representing $302,547,364, of which 1,812,867 were whole life, totaling $291,362,399; 21,156 were endowment, totaling $11,017,715, and 669 represented all other to the amount of $167,250.

Concerning **the proposition of Actuary Whitney,** of the New York legislative investigating committee, in a communication to the *Insurance Monitor*, that "the unearned premiums are in equity the property of the insured," *Insurance* of last week says:

The unearned premiums, says Professor Whitney, "are in equity the property of the insured"; if so, the stockholders must be carrying the risks for the fun of it, and it is a natural corollary that the earnings of unearned premiums belong to the insured, and therefore the insured are continually subjected to a sort of robbery. Such a notion is not now advanced for the first time. Long ago we particularly recall a Philadelphian (who professed to be connected with insurance in some manner) arguing that surplus in equity belongs to policyholders and ought to be returned to them. It has been "made" off of them; therefore, it is all morally theirs, and should be returned to them. An easy deduction which would win prompt applause from any street gathering, but if sound at all its application must not stop with underwriting. By the same argument, all trade profits have been made from or taken from the public at large; therefore, all profits should be redivided among the public, by whom they were contributed. This is the rankest socialism, and runs into absurdity as soon as one proposes to enforce it fairly. This legislative committee was nominally set to looking up legislative corruption, and incidentally to see what wrong exists in underwriting. The committee's actuary (if we may judge from this specimen of him) is likely to further impress upon the legislative mind some things about underwriting which are not so.

Misrepresentation by some life insurance salesmen has been discovered in North Dakota by the Insurance Commissioner of that State, and in his latest bulletin he exposes it with a warning thus:

Complaint has reached this department that a flagrant violation of the law of this State relating to misrepresentation has occurred. It is charged that the mode of procedure is somewhat as follows: That a man who has a deferred dividend policy, and who has paid say ten annual premiums, or thereabouts, is approached by an agent, who inquires as to what kind of insurance he is carrying, and when advised of the fact that he is carrying a deferred dividend contract upon which he has paid in the neighborhood of ten premiums, he is advised by the agent that he can carry the same amount of insurance without any cost to him whatsoever; that it will be taken care of by his deferred dividends, and will not cost him a cent. The proposition looks good to the person who is approached, and the request of the agent he signs what he supposes to be an application, and he knows no different probably for a year, when he is requested to pay the premium on both policies and also the interest on a loan, which is probably the amount of the first premium on his additional insurance. He has signed an application for a loan without his knowledge. These are the facts as explained to the department, and if such thing is being done by any insurance agent, and it can be conclusively proven to the satisfaction of the department, not only will the agent's license be revoked, but the license of the company employing such an agent will be revoked.

The **Roger Williams Fire of Providence, R. I.,** is not going to liquidate, as has been reported, notwithstanding the recent

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reinsurance of its outstanding risks in the Colonial of Winnipeg. Instead, the Roger Williams is going to reorganize on the basis of a $5,000,000 capital and $5,000,000 surplus, according to the statement of its New York representatives, McLean, Stinson & Co., and the reinsurance was effected in order to clear the company of all liabilities before the new capital is introduced. From the same firm, which also represents the Colonial in New York for surplus lines, comes a denial of the story that the Colonial's capital is impaired. Instead, it is stated, $120,000 of new stock in the Colonial has been subscribed, of which one-half is already paid in. The Roger Williams has seen troublous days, and at one time the treasury was depleted some $80,000 by embezzlement. This was replaced by the directors. Under the new organization the Roger Williams, if rightly managed, should attain a high degree of success.

In his bulletin for November Insurance Commissioner Cooper, of North Dakota, makes the following observations on **the work of the fire marshal** of his State:

As the fire marshal law extends into different States, and as the result of the marshals' work both in the prevention of fires and in the punishment for incendiaries becomes known, there is a growing disposition on the part of legislatures, augmented by the demands of the insuring public, to encourage such work both in the way of moral assistance and in financial aid. The reduction of fires in all States where the marshal law has been in force for any length of time, is a well recognized fact. And with the reduction of fires naturally comes a reduction in rates. Then people begin to be more careful with respect to the physical hazard, and each insured property owner is, in some sense at least, a self appointed committee of one to report any violation of the fire prevention rules. The Minnesota fire marshal has gone so far as to make a comparative study of the premium rates, the condition of fire departments in the various cities and towns of the State, and the local equipment and efficiency of the men and the physical hazard of the town. These matters are in turn published in the local papers, and immediately strife is set up by each municipality to excel his neighbor and secure a lower insurance rate. The Minnesota fire marshal, Mr. Edward Peterson, has asked for more funds with which to pursue his work. Last year the expenses, including salaries, was only $5,995.21, and a good beginning has been made.

The filing on Thursday of the decree of Judge Lacombe vacating the warrants of attachment against certain funds of the **Helvetia Swiss insurance company** in the custody of the Central Trust Company, Weed & Kennedy and the New York State Insurance Department formally closed up another of the many litigations following the California Fire. These cases were probably the most complicated of all the California fire suits, involving matters of jurisdiction of both State and Federal courts. They were settled to the satisfaction of the plaintiffs about six months ago. The Helvetia did not resist payment on account of the earthquake clauses. It was in San Francisco on account of business written there by a smaller Swiss company which the Helvetia purchased a short time before the conflagration. After the fire the Helvetia withdrew the other company from the country, and the loss claimants immediately attached the funds of the Helvetia in the hands of its representatives and the New York Insurance Department.

The Hartford Fire was the unintentional cause of barring a number of the leading magazines from the mails last month or delaying their issue. The Hartford "ad," sent to about forty periodicals, included a request to **"cut this advertisement out,"** etc., which is in violation of the postal regulations unless the size of the coupon is less than 25 per cent. of the total superficial area of the advertisement. While the magazines were all held up, the Post Office Department will allow them second class privileges in this instance, but any future digressions will necessitate the reprinting of the entire edition or the affixing of postage stamps to each copy. Not one of the forty magazines to which the "ad" was sent raised the point, one advertising manager claiming that the plate was received at the last moment, and that the advertisement of an insurance company is regarded as such clean copy that careful scrutiny was not thought necessary.

Some time ago the United States Treasury Department ruled that national banks had no **authority to use bank funds to pay premiums** on insurance policies on the lives of their officers. This ruling followed the receipt of information that one company had acquired a string of banks, and was drawing back much of the earnings as premiums on policies on various of the bank officials. A new plan has been proposed by which pensions for all employees of national banks and protection for their families in case of death may be provided. Permission is sought to have the banks take out a special policy form for their employees, the dividends on which would be paid to the bank and applied to cost. The policies would provide for a lump sum endowment and retirement at certain ages. The proposition was taken under consideration.

At the annual meeting of the **Underwriters' Bureau of New England,** held at Boston on Wednesday, there was a large attendance of members, and the following committees were chosen to serve for the ensuing year: Executive committee, Royal, German-American, National of Hartford, London and Lancashire Fire, Scottish Union and National, New Hampshire, Home of New York, Queen and Ætna; membership committee, Phœnix of Hartford, North British and Mercantile, Northern of London. Gorham Dana was elected secretary and manager and E. B. Cowles treasurer. The executive committee elected George Neilley chairman. Manager Dana reported a successful year, with fire losses which were less than those of the previous year, and considerable increase in surveys sent out.

The **Insurance Herald,** of Atlanta, is now published without the yellow cover which has characterized it so long, the first issue in the new form being that of two weeks ago. This is one of the changes inaugurated by Mr. Hogshead, the new editor. In furtherance of its progressive policy the paper has opened an office at New Orleans, to which Mr. Perley B. Jones, a capable Southern insurance man and newspaper correspondent, has been assigned. An office has also been established at Richmond, Va., where Mr. M. D. Hart will be in charge. These branches should assist materially in enabling the *Herald* to carry out its intention to cover the Southern insurance field thoroughly. The new typographical appearance of the *Herald* is pleasing.

A decree was issued on Thursday by Judge Weir, of the Marion County Superior Court, at Indianapolis, Ind., **enjoining fire insurance companies from combining in Indiana** to enforce rates. The decree permits companies to join on a rate for any single risk, and permits agents to unite to prevent rebating of commissions. Independent rating bureaus are permissible, but must sell to any applicant information they have gained on the subject or the nature of the fire hazard risks. One hundred and twenty-four companies are affected by the injunction; five of the original defendants have been found not to be involved, as shown by the evidence. The case has been in the local court since May, 1909.

The first matured endowment policies of the **Federal Life insurance company** have just been paid; one was a thousand dollar ten year endowment, paid to Andrew T. Taylor, of

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Fond du Lac, Wis., and the other was a two thousand dollar ten year endowment policy, paid to Prof. T. C. Chamberlin, of the University of Chicago. Professor Chamberlin had become so accustomed to paying premiums that he sent his check for $233.36 to pay an annual premium, and he was pleasantly surprised to have the company return his check, with the notification that it was unnecessary, and that his policy had matured for its face value, $2,000, and $234.04 of dividends, making a total of $2,234.04.

It is reported that Insurance Superintendent Potter, of Illinois, in his forthcoming life report will recommend that all **life insurance** companies chartered in Illinois with $100,000 capital or over be permitted to use the **disability feature** in their contracts. A number of outside companies are offering disability insurance along with life insurance, and it is desired to put the Illinois companies in a position to meet this competition. Superintendent Potter will also recommend that life insurance companies having an adequate capital be allowed to write health and accident insurance also, either in connection with life insurance or separately.

"Any man who **dies before the age of thirty dies insolvent,** as he has never done sufficient work to repay his parents for the cost of his bringing up, and the community for the schooling it has given him." The *Quarterly Bulletin* of the Fidelity Mutual Life of Philadelphia quotes the above, and says in comment that "this statement may be a little broad, but all thinking men will agree that every young man owes his parents the protection of a policy of life insurance to reimburse them for their outlay in his education and bringing up. This is a debt of honor, and any young man who is made of the right stuff will not excuse himself."

The effort of the State to stamp out **rebating of life insurance premiums in Illinois** is characterized by the companies as an attempt to entrap the agents, who may be attracted by the proposition to give informers half the fines. The companies say they are as much interested in stopping the practice as the State can possibly be. The pledge signed by members of the Chicago Life Underwriters' Association is especially strong against rebating. President Girardin, of this association, says the trouble comes mainly from agents of companies not admitted in New York State, and therefore not amenable to the provisions of the Armstrong law.

The business of the **Hartford Life insurance company** is showing an increase over that of 1909, which was itself a big year for the company. The new policy of the company allowing increased benefits and guaranteed settlements at the end of twenty years is attracting much attention, and is having a large sale. Being definite as regards cost and absolutely guaranteed as regards results, it is the kind of proposition that is easy to induce people to listen to. George Stauch has been appointed supervisor for the company for northern Illinois, with headquarters at Chicago, and Van H. King goes in as supervisor for the Omaha district.

During the present week **President Joseph Button,** of the National Association of Insurance Commissioners and Insurance Commissioner of Virginia, has been in the city of New York on business connected with his department. He stated that meetings of the executive committee and other committees of the National Convention will be held in this city on December 6, 7 and 8 proximo, which will bring practically the larger part of the State insurance commissioners to the city. It is expected to elect a member of the executive committee to fill the vacancy caused by the resignation of Commissioner Barry of Michigan.

The **Illinois Association of Local Fire Insurance Agents** will use its influence this winter to further the passage of the insurance measures proposed by the Illinois Insurance Commission for submission to the Illinois Legislature. This was decided on at the meeting this week, at which numerous other items of business were transacted, including the election of the following officers: President, H. F. Arnold, Galesburg; first vice president, John H. Wood, Bloomington; second vice president, J. B. Steck, Alton; third vice president, George V. Taylor, Streator; secretary-treasurer, Shirley E. Moisant, Kankakee.

"The best ever" will be the opinion expressed about the 1910-11 edition of the **Standard Insurance Directory** for New England, just published. It is a thick volume of nearly a thousand pages, and embraces a complete list of fire, marine, life, casualty and miscellaneous insurance companies transacting business in New England, with the names and locations of their agents. There is also information about local boards, fire departments and insurance brokers. The price of the directory is $2, to be obtained from the Standard Publishing Company, 93 Broad street, Boston.

The efforts of the stockholders' committee of the **American Temperance Life Insurance Association** to elect one of their own number as director in place of James F. Pettit, the candidate of the society's officers, was not successful by several hundred votes Tuesday. As a conciliatory move, however, the officers allowed another of their directors to resign, and Henry W. Wilber, of Philadelphia, favored by the stockholders' committee, was elected in his place. Present assurances are for future peace.

Fire broke out recently in the **sprinklered coal storage bin of Tibbs, Hutchings & Co.** at Minneapolis, where 224 tons of coal were stored. The bin was of substantial reinforced concrete, and the fire burned several days before it was revealed by the opening of the fireproof doors. The odor of gas had been apparent for several days, and plumbers had been searching everywhere for the leak. The concrete construction prevented the fire from communicating to the remainder of the building.

Application has been made for a charter for the **Atlantic States Life insurance company,** with head offices at Augusta, Ga. The company will have $200,000 capital and the following officers: J. Cary Lamar, president; W. S. Cogburn, first vice president and general manager; J. A. Best, second vice president; R. N. Berrien, third vice president; W. W. Battey, Jr., medical director; S. F. Garlington, general counsel; M. C. Dowling, secretary and treasurer.

The case of the $5,000 insurance policy on the life of Oscar Edler, who was found dead in 1876, and whose policy the company refused to pay on the ground that he probably committed suicide, has been **in the courts for thirty years.** This week, before Justice Gerard, in the New York Supreme Court, the plaintiff, to whom the policy was assigned, won a verdict of $15,000, to which amount the original claim, with costs and interest, had accrued.

Owing to an increased number of infractions of **the relief rule** the **Western Union** has given notice that in future members who ignore its requirements, thereby forfeiting their privileges under the rule, will have to cancel their policies.

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Relief is granted only for one time and full particulars are required for renewal. Each member interested in the risk must apply for relief, but many do not, depending upon others to make application.

There is much dissatisfaction among the members of the **Knights of Pythias,** which organization will on January 1 advance the rates of members in the old fourth class to a much higher figure than is now being paid. The officers frankly state that the increase is necessary, since the best risks have already transferred to the new fifth class, and the mortuary fund is entirely inadequate to meet the obligations at the present rates.

The **Life Underwriters' Association of Mississippi** was organized November 5 at Jackson with the following officers: President, R. B. Mims, general agent of the New York Life; first vice president, E. L. Ragland, general agent of the Fidelity Mutual; second vice president, R. H. Lake, of Memphis, Tenn., general agent of the Equitable Life of New York. The election of secretary and treasurer was deferred until a later meeting.

An unexpected development in the proceedings against the fraternal **L'Union St. Jean Baptiste d'Amerique** was the agreement on Tuesday to settle the case out of court. By the decree allowing the settlement Walter B. Chase, of Providence, was appointed a commissioner to supervise the affairs of the society until a general convention of the society can be held. All the supreme officers of the order are directed to resign.

Two Pittsburgh fraternals, the American Life and Annuity Society and the Order of Unity have merged under the name of the **Pension Life Society.** The combination means a saving of expenses and the formation of one of the strongest fraternals in Pennsylvania. It will have about $10,000,000 of insurance in force, with over $250,000 of assets. A new home office building is now being erected in Pittsburgh.

In accordance with a decision by the Texas Supreme Court, the assessment upon the fire insurance companies for the **expenses of the Texas State Rating Board** will be levied pro rata upon the companies proportionate to their premiums, after deducting reinsurance and cancellations, instead of exempting those companies whose State taxes amount to more than 2½ per cent. of their net premiums.

The new executive committee of the **National Association of Local Fire Insurance Agents** has been announced as follows: A. C. E. Stinson, Greenfield, Mass.; A. S. Langley, Madisonville, Ky.; Knowles Hyer, Pensacola, Fla.; Fred Guenther, Detroit, Mich.; C. J. Kehoe, Jr., St. Louis, Mo.; Louis Raugh, Cincinnati, Ohio; H. W. Binder, Council Bluffs, Ia.; Rutherford Lipscomb, Atlanta, Ga.

A lecture on "Moral Hazard" will be given at 5:15 o'clock Tuesday afternoon, November 22, in the board room of the New York Board of Fire Underwriters, 123 William street, by Samuel R. Weed, of the firm of Weed & Kennedy, under the auspices of the Insurance Society of New York. Admission is free and is not limited to members of the society.

The **National Provincial Insurance Corporation of London,** which was announced this week to have taken over the Law Car and General, has made a deposit of $10,000 at Chicago, and has appointed Shipman & Wayne to be general agents for the United States, Canada and Mexico for surplus lines. The intention is to make the deposit fund $25,000 ultimately.

The brief of the Attorney General of **Kansas** in the cases challenging the constitutionality of the **State rating law** has just been filed. The companies are to have twenty days in which to file their briefs, which are understood to cover a number of cases more than are quoted in the decision of Judge Munger in the Nebraska case affecting surety rates.

The Irish tobacco corporation, Gallaher, Ltd., which buys a large portion of **the dark tobacco output of Kentucky,** is offering to restore its insurance to the stock companies provided the rate on the sprinklered warehouses will be reduced from 60 cents to 50 cents and a pro rata cancellation clause added. The sentiment is against these concessions.

A new plan of schedule rating for traction car barns, yards and rolling stock, electric light and power transformer and (or) storage battery stations, has been adopted by the **Central Traction and Lighting Bureau.** The following officers of the Bureau were elected: President, E. G. Richards; vice president, Walter H. Sage; secretary, Charles G. Smith.

In **South Dakota** Insurance Commissioner Basford advises the Legislature to take up **State rating** as a serious matter. Western insurance writers seem inclined to doubt the ability of the official to induce the South Dakota Legislature to launch out into the State rating deeps. The recent decision in Nebraska will doubtless have a deterrent effect.

The recent offer of 100,000 shares of the stock of the **Glasgow Assurance Company** for public subscription draws attention to the prospectus, which says that the company intends to make its business world-wide, following the example of other foreign companies. This is taken to mean that the company is considering entering the United States.

There was a hearing at Pittsburgh on Monday by Justice Shafer in the Common Pleas Court in the equity suit brought by Edward C. Tole, an insurance broker, against the **Allegheny County Board of Fire Underwriters** for an injunction, alleging illegal practices. After the taking of much evidence the hearing was adjourned until today.

The **Insular Life insurance company, Ltd.,** has been organized at Manila, P. I., and is the first Philippine company. Several American and Chinese companies are operating in the Philippine archipelago. Leon Mooser, formerly of Sacramento, Cal., is managing director. The capital is 1,000,000 pesos, equivalent to $500,000 gold.

The **National Life of San Diego, Cal.,** now being organized, has announced the following permanent officers: President, L. A. Blochman, Blochman Banking Company of San Diego; vice president, F. R. Burnham, vice president Merchants National Bank of San Diego; secretary, H. Z. Adams. The treasurer has not yet been chosen.

The Governor of **Maryland** has appointed Emerson C. Harrington to be **Insurance Commissioner,** to succeed the late Benjamin F. Crouse. Mr. Harrington is an attorney of high standing. Prof. James E. Green, for a number of years connected with the Insurance Department, will remain as Mr. Harrington's first assistant.

The **official report** of the proceedings of the fifth annual convention of the **American Life Convention,** held in Septem-

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ber at Des Moines, which was fully reported in this paper at the time, has just been received. It covers the transactions of this important convention very completely, and will be a valuable document for its members.

The director of public service at **Cleveland** proposes to make the new **high pressure system** self sustaining by furnishing water at tariff rates for sprinkler systems in the downtown district. He also suggests that the installation of sprinklers in the congested district be made compulsory, in the interest of fire protection.

Among the candidates for appointment to succeed John A. Hartigan as **Insurance Commissioner of Minnesota** is C. W. Farnham, an attorney of St. Paul, who has been closely affiliated with the Insurance Department for a number of years. It is expected Governor Eberhart's appointment will be promulgated soon.

The **Michigan field of the Royal** has been relinquished by B. T. Duffey, formerly State agent for Ohio and Michigan, who will remove to Cleveland. He will retain Ohio and in addition take up the duty of local manager at Cleveland for the Royal. The appointee for Michigan has not been announced.

A report from Cincinnati states that the **Ohio National Life and the Ohio Mutual Life** are planning to merge under the control of the former concern. The mutual has been in business many years, and has about $2,000,000 of outstanding insurance. The stock company is a newer organization.

The **People's Life of Little Rock, Ark.,** has elected J. D. Cobb director and second vice president and C. E. Reid director and member of the executive committee, vacancies having existed in these positions. The company is erecting a new home office building to cost $140,000.

The guest of honor at the annual banquet of the Newark, N. J., Association of Credit Men Thursday evening was **Franklin H. Wentworth,** of Boston, secretary of the National Fire Prevention Association, who spoke on "The Relation of the Fire Waste to Commercial Credits."

The **Burley Tobacco Society of Kentucky** suffered a $40,000 loss by fire at Millersburg, Ky., by the destruction of a warehouse. The society is carrying its own insurance, having established a fund based upon 2 per cent. of the value of all the tobacco in the pool.

At the meeting of the **New York Board of Fire Underwriters** this week David Rumsey, second vice president of the Continental and Fidelity-Phenix, and Wyckoff Vanderhoef, vice president of the Williamsburgh City, were elected to membership.

A meeting of the joint committee of the **National Fraternal Congress and the Associated Fraternities of America** is to be held in Chicago November 22 to devise plans for securing the adoption of the uniform fraternals bill in the various State legislatures.

The **Washington National Life** is a new incorporation, of which J. Grier Long is president, and B. C. Barrington, formerly with the Western Union Life, is secretary and general manager. The capital is $100,000 and the surplus is to be $80,000.

The Alabama Supreme Court has declared invalid the statute proclaiming the **exemption of life insurance policy proceeds** from all creditors of the insured in cases where the beneficiary is the wife, husband or children of the insured.

The Northwestern National Life has designated Laurence Rosewald to act as special representative to look after **corporation insurance in Minneapolis** and vicinity. The rapid development of this class of insurance led to the innovation.

A decision by Judge Walter A. Powell, in the Mississippi Circuit Court, declares the **three-fourths loss clause invalid** as to insurance on stock carried by merchants. By the decision the insuring companies are liable for the full loss.

The **Ladies of the Modern Maccabees** is the first fraternal order to mature old age benefits, which have recently been added to the fraternal system. Up to date it has paid 558 old age certificates, amounting to $321,030.

It is announced that Lee L. Hamlin, formerly for many years with the Home of New York, has **resigned** his position **as secretary** of the Western Fire of Lincoln, Neb. He is succeeded there by Elmer B. Stephenson.

On account of its rapidly growing business the **Amarillo National Life** of Amarillo, Tex., has moved to **larger quarters.** Since securing its license in July of this year it has written over $250,000 of business.

Saratoga residents are already protesting against the proposed plan to locate the **Metropolitan Life's tuberculosis sanitarium** in that vicinity. The protest has been made to the State Board of Health.

The **Kentucky Board of Underwriters** has been considering the advisability of abolishing the "riot clause" from policies written in rural districts since the discontinuance of "night riding" and barn burning.

The Franklin of Washington, D. C., is **increasing its capital stock** to $250,000. The new stock is all sold at $40 per share, par being $25. The 182d semi-annual dividend of 3½ per cent. has just been declared.

For the third month during 1910 the Chicago office of the Mutual Life of New York has **passed the million dollar mark** in business production, the October volume being nearly a million and a half.

The Territory of New Mexico has declined to release the $10,000 deposit made by the **Shawnee Fire.** The Territorial Insurance Department is not entirely satisfied with the reinsurance contract.

On November 1 Mr. **John C. Piver,** editor of the *Underwriters' Report,* of San Francisco, was adjudged guilty of criminal libel and fined $300. It is announced that an appeal will be taken.

Four false alarms in two days brought large forces of firemen and apparatus to **the Singer Building** and other nearby

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skyscrapers this week. The offending alarmist was not apprehended.

An address by Royal S. Goldsbury, general agent of the Northern Mutual Life, is to be a feature of the meeting of the **Buffalo Life Underwriters' Association** at Buffalo this evening.

A suit now on in Texas involves the question as to whether the **Federal employers' liability act** passed by Congress in 1908 takes precedence over the Texas State law on the same subject.

Those interested in the organization of the **Minnesota Fire Prevention Association** are to meet December 3 to act on the proposed constitution and bylaws, which have been prepared.

The name of the **Pacific Fire and Marine of Seattle** has been changed to the Metropolitan Fire and Marine. The company expects to establish a general agency in Chicago.

The **Royal Victoria of Canada** has decided to go out of business, after an existence of thirteen years, and $4,500,000 of its business has been taken over by the Sun Life of Montreal.

The **Western States Life** has elected Warren R. Porter, the present Lieutenant Governor of California, to be president of the company, succeeding the late A. R. Briggs.

The Prudential has made application **to enter New Mexico,** where John W. Moyes will become agent at Santa Fé, after the necessary formalities have been complied with.

Oklahoma is improving its **fire protection** conditions. During the past seven months twenty-eight municipalities have issued waterworks bonds amounting to $1,500,000.

The Chicago agents of the **Northwestern Mutual Life,** numbering sixty, were given their second annual dinner by R. H. Hobart, the Chicago general agent, Tuesday night.

The Insurance Brokerage Association of Chicago, at its meeting this week, declared in favor of the **elevation of the standard for insurance brokers** and solicitors.

The Western States Life of San Francisco has elected Warren R. Porter, Lieutenant Governor of California, to be president, succeeding the late Arthur R. Briggs.

The **Lincoln National Life of Fort Wayne,** having confined its field to its home State for five years, is preparing to enter outside territory in the West and South.

The **St. Louis National Life** has reduced its capital from $200,000 to $100,000. E. S. Lewis, formerly vice president of the company, has been elected president.

The **Prudential Fire** of Manchester, Vt., has increased its capital stock to $65,000, and has filed a notice to that effect at the office of the Secretary of State.

The **Massachusetts Fire and Marine of Boston** is rapidly expanding. New offices have just been put in commission for the executive officials of the company.

The activity of the **Roulet Bureau in Texas** has been suspended pending an interpretation of the new insurance laws by the incoming State Rating Board.

The trial of the fire insurance conspirators at **Newport News** is dragging its slow length along, only a few witnesses having been examined so far.

The policies of the **Fidelity Underwriters,** submitted to Insurance Superintendent Hotchkiss for inspection, have received his official approval.

Only two new fraternals have been able to comply with the strict requirements of the new **Texas** law regarding the organization of **fraternals.**

The **Travelers** of Hartford has recently been licensed to do life business **in Texas** in addition to its large accident insurance business there.

The **Farmers and Merchants Mutual Life** of Princeton, Ind., two years old, paid its first death loss last week, being a policy for $1,000.

The constitutional amendment authorizing the State of Minnesota to issue **hail insurance** was **voted down** at the recent election.

The **average clause** as found in many fire insurance policies **in Iowa** has been **declared invalid** in the courts of that State.

Contracts have been awarded for the addition of two stories to the **building of the Berkshire Life** at Pittsfield, Mass.

The **Home Life of America** has elected M. Lally as its president, succeeding George M. Nettleship, resigned.

Fire insurance **rates in Camden, N. J.,** are to be investigated by a committee from the Camden Board of Trade.

The **Cotton States Fire** is a new company organized to be a running mate to the Georgia Fire.

The **National Fire of Paris** has been licensed in Illinois.

Personal.

AGENCY APPOINTMENTS.

General Fire of Paris: Hertel & Van Roden, agents in Philadelphia.

Home of New York: H. Wallace Stevens, special agent in southern Illinois; Cornell H. Anderson, special agent in Wisconsin.

Nationale of Paris: Curtin & Brockie, agents for Philadelphia; Ten Broeck, Morse & Co., agents for Hudson County.

North British and Mercantile: Fred W. Kentner, formerly with the Fidelity-Phenix, special agent for western New York; E. C. Fox, agent for Kansas, with headquarters at Topeka.

Philadelphia Underwriters: J. T. Robertson, special agent for Maryland, Virginia and District of Columbia, with headquarters at Baltimore; A. F. O'Daniel, to have charge of agencies in western Pennsylvania, effective December 1, with headquarters at Pittsburgh.

Union of Paris: S. C. Warriner, agent at Springfield, Ill.

Mr. W. H. Shields, superintendent of agents for the Mutual Life of New York at Spokane, has written $683,000 of personal business so far this year in fifty-two applications, averaging $13,500 each. Most of the policies were on the twenty-pay and ordinary life plans, with an average premium of $35 per thousand. He wrote one policy for $100,000, and six for $50,000 each.

Mr. H. J. Powell, president of the National Association of Life Underwriters, has promised to visit each of the sixty-one local associations at least once during his term of office. He will be the guest of honor at the Chicago Association's banquet in January, after which he will make a trip to the Pacific Coast.

Mr. Fred V. Moore, for many years with the North British and Mercantile, and for the last two years with the Phœnix of Hartford, has been appointed deputy surrogate in Passaic County, N. J. He has resigned his insurance connections.

Mr. O. L. Van Laningham, of Chicago, whose present whereabouts is interesting, has recently purchased a fine country home near Kansas City,

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Mo. The consideration is said to have been in the neighborhood of $75,000.

Mr. Howard V. Luce will on January 1 leave the Sun of London, for which he has been Michigan State agent, to become Michigan State agent of the Spring Garden of Philadelphia, with headquarters at Detroit.

Mr. Peter Patterson has been elected secretary of the Federal Casualty of Detroit. Since his return from Europe his health is greatly improved, enabling him to return to activity in the insurance business.

Mr. Charles R. Stone, formerly with the Fred B. Grinnell Company, Spokane, has accepted the position as manager of the local insurance agency department of Carstens & Earles, Inc., Seattle.

Judge David L. Rockwell, of Ravenna, Ohio, is "mentioned" as the probable successor of Insurance Superintendent Lemert of Ohio, when the term of the latter expires, June 3, 1911.

Mr. Franklin Mann, agency statistician for the Northwestern Mutual Life in Chicago, will deliver a lecture on life insurance before the Fire Insurance Club of Chicago in February.

Mr. Paul Turner has resigned as special agent for the Philadelphia Underwriters in Virginia, to become special agent for the London and Lancashire in western Pennsylvania.

Mr. John McGillen, who resigned from the United Surety last month, has been appointed Chicago general agent for the American Bonding Company of Baltimore.

Mr. Clarence B. Sloan, formerly of Bools, Sloan & Co., of San Francisco, and since then head of C. B. Sloan & Co., died last week from pneumonia.

Mr. John W. Collins has resigned from the Fidelity-Phenix to go with the sprinklered risk department of the Hartford, with headquarters in New York city.

Mr. John J. Raleigh, State agent in Illinois for the John Hancock Mutual Life, died November 17 from typhoid fever at Chicago, aged forty-eight years.

Vice President George T. Wilson is expected to be in Atlanta on Monday and Tuesday next to attend a meeting of the agents of the Equitable Life.

President John B. George, of the America Fire insurance company, died at Allentown, Pa., November 11, as the result of an automobile aocident.

Mr. Charles Wilson, for the past ten years supervisor with the Fidelity Mutual Life of Philadelphia, has resigned, effective November 1.

Mr. J. A. McCoy has been advanced from the temporary secretaryship of the Federal Casualty to the vice presidency.

President Elbridge G. Snow, of the Home, has been elected a director in the Fourth National Bank of New York.

Mr. B. R. Parus, well known in Texas insurance circles, died at his home in Dallas last week of paralysis.

Mr. Samuel J. Wylie has been appointed manager for Scotland for the Equitable Life of New York.

Mr. W. M. Hodge has resigned as president of the Conservative Life of Wheeling, W. Va.

Casualty and Surety Insurance.

Among the many **unusual accidents** this week were these: A Staten Island, N. Y., schoolgirl was seriously hurt when a passing trolley car jumped the track, ran up on the sidewalk and pinioned her against a fence. She will probably be a lifelong cripple.

Two patients are dead at a Wilmington, Del., hospital from taking bichloride of mercury out of a bottle supposed to contain a solution of Epsom salts. The physician responsible for the mistake attempted suicide.

A Blairstown, N. J., woman cut her hand while opening a tin can, and died later from blood poisoning.

Jumping from a fire in Manhattan street, New York, a man was impaled on a picket fence and instantly killed.

A Colorado farmer was crushed to death between a load of hay and an electric light pole.

An unruly hose knocked a New York fireman from a roof to a picket fence, which seriously injured him.

Four sawmill workmen in Ohio who stood by the mill boiler to get warm were killed when it exploded.

A Russian stage dancer was injured by the accidental swerving of a sword during her act in a Chicago theatre, and she will be unable to dance again this season.

At Bloomfield, N. J., a boy blew cigarette smoke in a horse's face, causing him to run away and injure five men.

An eminent New York surgeon has been threatened with the loss of his sight by the accidental infection of his eyes from an abscess upon which he was operating at the Flower Hospital.

A New York man who tried to separate two fighting negroes was shot dead by one of them.

A New Rochelle boy lost his life in saving his companion from death in front of an express train.

A New York traffic squad policeman clapped his hands together to warm them and dislocated his shoulder.

The Indiana State Bar Association is at work on an **employers' liability** measure to be introduced **in the Indiana Legislature** this winter, which will be a radical departure from all former legislation on the subject in that State. The proposed law will attempt to do away with litigation by providing for compensation to injured employees without suit and without more cost to the employer than the present plan. It is planned to fix by statute the compensation which shall be paid in cases where no agreed amount has been fixed by contract between the employer and employee, the wage earning power destroyed or diminished being taken as a basis. In the absence of insurance the compensation shall be a lien on the employer's property second only to taxes and collectible summarily. So far as is necessary in the establishment of these reforms the "fellow servant" rule and the rules concerning contributory negligence and assumption of risk shall be repealed. The opposition to this proposed legislation promises to be strong.

Whether the first year agreement between the **Casualty Company of America** as original insurer **and the United States Casualty** as reinsurer, that the reinsuring company should not be liable if the insured was killed in Alaska, was renewed each year thereafter without a special clause so specifying, is the basis of a suit between the companies, with the United States Casualty as defendant, now pending before Judge Davis in the New York Supreme Court. A motion by the defendant to set aside an order obtained by the plaintiff requiring that certain facts in its possession be disclosed was denied in part by Judge Davis on Tuesday, and from this an appeal will probably be taken. The insured in question was Henry Curtis Elliott, a mining engineer, who carried a policy for $10,000, taken out in 1905, and on which the accumulations made the total $12,500 at the time of death. The Casualty Company of America sues the United States Casualty for $6,250.

The American Surety Company and its general counsel, Mr. Henry C. Willcox, are entitled to congratulations for fighting to a successful issue the constitutionality of the **Nebraska State rating law** as regards rates of premium on bonding and fidelity business. Since the announcement of the judgment in favor of the company word has been received that the Governor of Nebraska was not at heart in sympathy with the State's case, and in view of that fact, together with the recent resignation of the Attorney General of the State to accept a Federal appointment, it is not believed the State will take an appeal from the decision of Judge Munger, which is printed in full elsewhere in this paper. The Governor, the Attorney General and the State Auditor constitute the State Rating Board in Nebraska, the latter official having also charge of insurance affairs.

A **dinner** was given **to James Victor Barry,** manager of the new publicity bureau of the casualty insurance companies, at the Hotel Pontchartrain, Detroit, on last Wednesday evening, at which there was a notable attendance: James T. Kenna was toastmaster, and among the after dinner speakers were the honored guests, President Curtis, of the National Casualty

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Company, and Manager William Bro Smith, of the Travelers insurance company. The hosts of the occasion were the following companies: Detroit Fire and Marine; Federal Casualty, Knights of the Maccabees of the World, Michigan Bonding Company, Michigan Fire and Marine, Michigan Mutual Life, Michigan State Life, National Casualty Company, Northern Assurance Company, Phœnix Preferred Accident and Standard Accident.

The **American Liability Company,** composed mainly of Ohioans operating under an Illinois charter, has been notified to secure an Ohio charter or withdraw its executive offices from that State. At a meeting of stockholders a few days ago the resignations of its three promoters as directors were accepted and their contracts with the company were canceled. Two of the three had previously resigned as president and secretary and general manager. An effort to secure an Ohio charter will now be made, and a general reorganization effected. Suit will be started, it is said, to secure certain sums of money claimed to have been illegally diverted from the treasury of the company. The stockholders seem determined to place the company on a sound basis and make a success of it.

Although **Percy S. Alden,** of the firm of Sewall & Alden, metropolitan representatives of the General Accident of Philadelphia, makes part of his living by soliciting burglary insurance, he came home from a hunting trip a few days ago to find all his extra trousers and several hundred dollars' worth of other property missing from his residence. Mr. Alden carried no insurance against burglary, which fact led President Franklin H. Moore, of the General Accident, to write Mr. Alden a letter of condolence, enclosing an application for a burglary insurance policy.

The **first suit** against the city of New York **under the new employers' liability law** has been won by the widow of John Lynch, an employee of the department of sewers, who was drowned in the East Eighty-first street sewer some time ago. The complaint alleged that Lynch was directed to descend into the sewer by the superintendent of the work and to remove an obstruction, following which the sudden rush of water overcame Lynch. Mrs. Lynch asked for $25,000 damages, but the jury gave her $6,000.

Rebating commissions on surety bonds and accident and health insurance is warned against in a circular issued by Insurance Commissioner Beedle of Wisconsin, who says that companies may alter rates if they wish, but agents must not rebate a part of their commissions. The acceptance of notes by agents for part of their commission, with the understanding that they are to be paid only out of the proceeds of a claim, if any occurs, must be discontinued, the commissioner declares.

The **Local Board of Burglary Insurance Underwriters** this week elected five new members, viz., the Employers' Liability Assurance Corporation, the Fidelity and Deposit Company of Baltimore, the General Accident, Fire and Life Assurance Corporation, the Great Eastern Casualty Company of New York and the Pacific Coast Casualty Company of San Francisco. The next meeting of the board will be held November 29 at the office of the Maryland Casualty Company.

The Travelers reports that it has settled 14,078 **claims under health and accident policies** during the first eight months of 1910, with total benefits of $985,173. The death benefits amounted to $321,484, and 40 per cent. of the death claims were increased by the cumulative clause in an amount exceeding $37,000. The double indemnity clause increased the benefits by $60,000.

In the State of Washington the employers' liability commission has taken the advanced ground that the State itself ought to **establish an industrial insurance department** to which both employer and employees shall pay premiums through the medium of the county treasurers. It is expected the recommendations will be modified before presentation to the Legislature.

Applications to organize the following **new national banks** have been approved by the Treasury Department at Washington this week: Auglaize National Bank of Wapakoneta, Ohio, capital $100,000; Kent National Bank of Kentland, Ind., capital $50,000; First National Bank of Delano, Minn., capital $25,000.

The Queen of America has opened **an automobile insurance department,** of which Charles B. Gunn will have charge. A broad marine policy will be issued, covering the risks of fire, theft and transportation anywhere in the United States or Canada. The policies will be valued.

The Treasury Department at Washington has sent **reminders to the surety companies** that statements of financial condition of the companies must be filed with the department during January, the forfeit for non-compliance being not less than $500 nor more than $5,000.

The **National Casualty of Detroit** announces that the capital stock of the company will be increased to $200,000 by January 1, 1911. This will enable the company to widen its field of activity, and indicates that it is attaining success.

The New Jersey Federation of Labor has furnished a committee of seven to draft an **employers' liability and workmen's compensation bill,** to be introduced at the next session of the New Jersey Legislature.

The charter of the **American Fidelity of Montpelier, Vt.,** has been amended to authorize the company to write insurance against automobile property damage.

The **American Business Men's Association of Chicago** is a new fraternal accident company just licensed by the Illinois Insurance Department.

The **Loyal Protective of Boston,** which writes health and accident insurance only, has been licensed in California.

The **American Surety** is being examined by the New York Insurance Department.

Insurance Legislation.

Vermont.

Mr. Roy has introduced a bill in the House to regulate fire insurance policies. A bill introduced by Mr. Stone to make accident policies incontestable has been killed.

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Official Reports.

Canada Insurance Report.

The report of the Superintendent of Insurance of the Dominion of Canada, just issued, contains the following summary of the fire insurance business transacted in Canada in forty-one years, 1869 to 1909 inclusive.

	Premiums Received.	Losses Paid.	Rate of Losses Paid Per Cent. of Premiums Received.
Canadian companies.....	$62,430,419	$40,785,842	65.33
British companies.....	179,013,386	115,829,571	64.70
American companies.....	39,296,661	23,650,555	60.18
Totals	$280,740,466	$180,265,968	64.21

The loss rate for 1909 (50.72) is 13.49 below the average for the forty-one years over which the records extend.

In the business of 1909 American companies, fourteen in number, received $3,564,127 in premiums and paid $1,673,730 in losses, and wrote $292,133,934.

American life insurance companies, sixteen in number, wrote $48,086,871 life insurance in Canada in 1909.

Referring to the passage of a new insurance law by the Dominion Parliament May 4, 1910, Insurance Superintendent Fitzgerald says:

Early in last session (1909-10) the foundation of the present act was introduced in the Senate in the form of Bill A, and after passing the preliminary stages was referred to the Banking and Commerce Committee of the Senate, presided over by the Hon. Senator Gibson. The bill received a very careful consideration by the honorable gentlemen comprising the committee, who after hearing at great length the representations of the insurance companies, of the agents and policyholders, and of the insuring public and others interested therein, reported the bill with numerous amendments. Their report was, with a couple of slight amendments, adopted by the Senate and the bill put through the final stages and passed by the Senate. There were but few alterations made by the Commons in the bill, and being assented to by the Senate the bill in its present form was finally passed by both houses, and having been assented to on May 4 last became operative on that day. It is believed that a very great improvement has been made in the law in respect of the several matters dealt with. Perfection is not claimed for it, but in view of the enormous amount of time and labor expended in connection with it, it is sincerely to be hoped that the act will prove fairly satisfactory.

Obituary.

William O. Blaney.

Third Vice President William O. Blaney, of the John Hancock Mutual Life insurance company, died at his home at Boston, Mass., on last Saturday, aged sixty-nine years. Mr. Blaney was a native of Bristol, Me., where he was born July 16, 1841. For many years he was prominently engaged in business in Boston, and was in 1881 president of the Boston Commercial Exchange. In 1900 he was elected president of the Commercial Bank of Boston. He was long connected with the John Hancock Life insurance company as a director, and in 1906 was elected third vice president, having previously served as fourth vice president.

John J. Henry.

John J. Henry, president of the Newark Fire insurance company for the past twenty-three years, and for forty-four years connected with the company, died at Newark on Saturday last. He had been in indifferent health for two years, but was at his office a week ago, and his death at present was not looked for. Mr. Henry was born at Newark April 12, 1848. He was educated in the public schools and a business college of that city, and entered the service of the insurance company as soon as he reached his eighteenth year. He grew up with the company, contributing much to its success by his excellent judgment and devotion to its affairs. He was elected secretary in 1869, continuing in that capacity eighteen years and until he was elected president in 1887. He was active also in various public interests, being an influential member of the Board of Trade and Northern Republican Club, and Past Grand Commander of the New Jersey Commandery of Knights Templar. Mr. Henry married in 1871 Miss Frances Miller, of Westfield, who survives him, with a daughter and son, Charles M. Henry, who is the secretary of the company of which his father was so long the presiding officer.

George W. Hayes.

For many years prominent in the fire insurance field, George Warren Hayes died at Seattle, Wash., on Wednesday in his seventy-third year. He was born at Terre Haute, Ind., in April, 1838, and was graduated from Wabash College, Indiana, in 1860. He went to the Civil War with the Seventy-sixth Indiana Volunteers. In October, 1864, he entered the fire insurance business as a local agent at Waverly, Ill., and the field a year later as a special agent for the Ætna of Hartford. From 1874 to 1879 he was special agent of the Franklin Fire of Philadelphia for Illinois, Wisconsin and Minnesota, and from May, 1879, to 1906 manager at Milwaukee for the Northwestern department of the Western of Toronto, and from 1893 of its sister company, the British America. In 1906 these companies awarded him a pension, upon which he retired from active service. Mr. Hayes was always interested in the affairs of the Fire Underwriters' Association of the Northwest, and was its secretary from 1877 to 1883 and vice president in 1901. A son of Mr. Hayes, George Washburn Hayes, is connected with the New York fire insurance brokerage firm of Benedict & Benedict.

Miscellany.

Prospective Changes in Pennsylvania Insurance Laws and the State Insurance Department.

(*Insurance World, Pittsburgh.*)

The Insurance Department of Pennsylvania, according to a report which has reached us from a very authoritative source, is to be overhauled from top to bottom. A new insurance commissioner is to be appointed, new clerks are to replace the old ones and new examiners appointed. Samuel W. McCulloch, according to the report, is to step down and out, and the prospective commissioner is to come from the western part of the State. The powers that be in politics in this State are now in session, and have been since Sunday, conferring with Governor-elect John K. Tener in framing up a new cabinet and adopting a schedule of reforms, which will be announced shortly. The unusually small plurality of the Republican ticket has been taken by the machine as a severe rebuke to the organization, which has for many years held complete sway, and it is now proposed to regain the lost prestige, if possible, by putting into effect some long needed reforms. One of the progressive moves will be to give to the Insurance Department an increased force of examiners, clerks, etc., and thereby place the department in position to effectually supervise. For the present it is planned to model the department after that of New York. There are many Pennsylvania insurance institutions that have never been examined. They are to come under the scrutiny of the new department, and many of them who cannot stand this scrutiny will have to seek cover. The insurance laws are to be revised and codified. A commission is to be appointed immediately after the Legislature convenes early in January to consider the subject and report to the same session of the Legislature. Having secured a new code and an enlarged department, the real work will begin, and there is plenty of it to be done. For many years the department has been allowed to get along

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as best it could with the very small force at its disposal, and no attention has been given to the thousand and one details to be looked after. For instance, Pennsylvania has no required uniform fire policy, and the laws permit any old kind of a contract to be foisted upon the public. The stock companies by courtesy and desire for square dealing have been using the New York standard form, but the State has no laws of its own. Another feature that requires attention is the easy manner in which the courts of the various counties issue charters to fraternal beneficiary institutions. These organizations are never examined; in fact, the laws do not give the commissioner any power over them. There are hundreds of just such concerns, which are operated in many cases solely for the commissions they pay their organizers. The agents issue any old kind of a contract and change it themselves to suit the whims of prospective purchasers. If present plans are carried out many of these unworthy concerns will be driven from business, and no more will be started through court charters. All these changes will redound to the good of such institutions as are able to stand examination.

Just one word about the new and the old. The prospective insurance commissioner is a young business man from the western part of the State. He has built up for himself a successful business, has made money, and recently has taken an active interest in politics. First and foremost he is ambitious to make a name for himself and if possible go considerably higher. In his ideas he has the backing of the powerful Republican organization, and can get what assistance he needs from the Legislature. This was something that the present commissioner, Samuel W. McCulloch, has never been able to do. Having gone into the office a number of years ago as deputy commissioner, appointed by the Democratic organization, Mr. McCulloch succeeded in making himself so valuable and popular that he has been able to stick through many changes in the commissioner's chair. When David P. Martin resigned Mr. McCulloch was promoted to the commissionership. He has been a good commissioner, and would have been a great deal better one had he been able to secure any assistance from the Legislature. We will regret very much to mark the passing of Mr. McCulloch, for he is well qualified by training and experience to administer the office well.

Mortality of Insured Infants.

The following are extracts from a paper prepared by Mr. W. H. Aldcroft, F. I. A., actuary of the Refuge Assurance Company of London, and read at a meeting at Sheffield of the Life Assurance Managers' Fraternal Association. It finally disposes of the once popular charge in England that the lives of children were endangered by insurance:

I have previously mentioned that industrial assurance has been investigated by committees appointed from the House of Commons, and one phase in particular of industrial assurance—infantile assurance—has been the target for a very vigorous attack—not only in the form of a Parliamentary inquiry but also from sections of the public outside Westminster. We can well afford to be charitable and indulgent. Perhaps this hostility in some instances originated from conscientious dictates of public duty—the safety and proper protection of child life. In some instances the opposition was due to ignorance of the actual conditions obtaining, and in some to bias and prejudice against this form of assurance. A great social reformer—you all know the name—General Booth—in his publication "In Darkest England and the Way Out," directs attention to the charges of child murder in order to procure the assurance money. Gentlemen, theory and practice do not always harmonize. In the establishment of the Salvation Army Assurance Company he emulated the practice of the other industrial offices by catering not only for adults but infants also, and so indorsing the form of assurance which had been so strongly condemned in some quarters. The Rev. Benjamin Waugh was a keen antagonist. Notwithstanding the attacks made on this form of protection—a protection so essential for the masses—Mr. T. C. Dewey, the then general manager of the Prudential, in his evidence before a select committee appointed from the House of Lords in 1890 completely demolished and pulverized the theories of the alarmists. You are all, I think, familiar with the battle cry. It was that the little ones were assured for the sole purpose of procuring the assurance money—that infanticide was rampant—and that, as a sequel, the mortality prevailing among assured infants was far in excess of that prevailing among the general community. Now, gentlemen, if the merits of a great national scheme or any other enterprise, whether it concerns religion, the financial world or the commercial world, are to be estimated or tested solely by the malpractices or abuses, then by a process of inductive logic we should arrive at the absurd conclusion that Christianity, life assurance and every commercial enterprise ought to be abolished. A few cases of infanticide have, it is sad to relate, been recorded. But what does this represent as a percentage of the whole number of assured children? We should produce probably one of those mathematical curiosities you sometimes see in the magazines, a result not zero but so near that the ordinary commercial mind would describe it as zero. Now, because of one or two instances of child murder, a number of persons would, out of sheer ignorance, have prohibited insurance on the lives of children if they could have influenced the legislature. This in effect implies that parents who assure their little ones do it solely for some ulterior and base motive—to benefit financially by the early death of their children and that the parents would not bestow proper care on the rearing of their offspring. You know perfectly well from your own experience that it is the thrifty and self-respecting section of the community who practice the wise precaution to protect themselves against the expenses involved through the death of their little ones. Except in the most abandoned cases—cases where they are too depraved and absolutely destitute of any moral sentiment—the love of parents for their children does not admit of any class distinction. The impecunious mother who pays her penny a week to the insurance company or friendly society loves her little ones just as dearly as the wealthy mother.

Mr. Aldcroft cited the infantile mortality experience of the Prudential of London from 1896 to 1905, which showed a death expectancy of 726,692, and an actual death loss of 524,908, and of the Refuge Assurance Company, which showed a death expectancy of 159,006 and an actual death loss of 124,858.

Nebraska State Rating Law Unconstitutional.

The Fidelity and Surety Insurance State rating law of Nebraska has been declared unconstitutional by the United States Circuit Court in session at Lincoln, and a permanent injunction has been issued restraining the Governor, Attorney General and Auditor of State, constituting the State rating board under the law, from enforcing it.

The law, which was passed in 1909, provided for a State board to fix the rates for fidelity and surety premiums. The American Surety Company brought suit to test the constitutionality of the law and obtained a temporary injunction against its enforcement. Counter suits were brought by the Attorney General to fine the company and exclude it from the State. The United States Circuit Court, sitting at Lincoln, by Judge Thomas C. Munger, of the United States District Court of Nebraska, has given a full decision in favor of the contention of the company that the law is unconstitutional, has declared it void, and enjoined its enforcement. The principles of the law laid down by Judge Munger extend in equal measure to all classes of insurance. The American Surety is to be credited with its success in overturning the State rating principle, as it proceeded alone in this litigation. In this important decision Judge Munger said in part:

The real controversy in the case is over the power of the State to fix the rates to be charged for insurance. No case has been cited where such a question has previously arisen, although acts somewhat to the same effect have been passed in other States (laws of New Hampshire, 1899, Chapter 85, Section 1; laws of Kansas, 1909, Chapter 152, Section 3).

May the State exercise this power, in view of the fourteenth amendment to the Constitution of the United States, which declares that no State shall "deprive any person of life, liberty or property without due process of law"?

The liberty to enter into contracts is not an unrestricted liberty, but is subject to the police power of the State. The extent to which the State may go, in the exercise of this power, in regulating or prescribing the prices of goods or services is not clearly defined. In earlier days it was usual for Parliament to fix the rates which lawfully could be charged even by those who were engaged in private business, and such legislation also existed in the colonies before the adoption of our Constitution (Freund on Police Power, Section 318). The right to regulate the charges for services of those whose business is devoted to a public use has been thoroughly established. It is also well settled that the right exists in the State to regulate the charges to be made by those whose business is affected by a public

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interest. Munn vs. Illinois, 94 U. S. 113-125; Budd vs. New York, 143 U. S. 517-544; Brass vs. North Dakota, 153 U. S. 391.

The three cases just cited involved the validity of statutes regulating the charges which lawfully might be made by those owning grain elevators, and in each case it was declared that the business conducted by them was so affected with a public interest that the State could regulate the charges imposed by them. Some of the characteristics of that business which led the court to declare it to be affected with a public interest were: The practical monopoly of the business at the places where it was carried on, and the consequent power to levy tribute upon the community; its relation to the business of transportation, and to the business of common carriers thus being of a quasi-public character.

The business of the companies engaged in furnishing surety bonds has none of these characteristics. It is in no way a monopoly, for individuals and partnerships are free to furnish such bonds in competition with them, and to make any charge or no charge for assuming such risks. No one is compelled to resort to the surety companies as practically the only source from which may be obtained surety bonds. The public interest in the business of such companies is no different from its interest in the business of any large mercantile or manufacturing company, whose capital, experience and facilities may enable it to have a widely extended patronage, but such characteristics do not make the business one which is affected with a public interest. State vs. Associated Press, 159 Mo. 410, 60 S. W., 91.

If the State may fix the amount of compensation for which an insurer may lawfully contract for furnishing such insurance the State may dictate the price for which all other commodities shall be sold, including the price which may be paid for labor. This cannot be done. The fourteenth amendment to the Constitution protect the rights of those engaged in purely private business to fix the price at which they will sell their services or commodities.

The case of Chesapeake & Potomac Tel. Co. vs. Manning, 186 U. S. 238,246, involved the right of Congress to regulate the charges to be made by any person or telephone company doing business in the District of Columbia for the use of such telephones. The court said:

"And we start with the proposition that it cannot be presumed that a Legislature intends any interference with purely private business. It cannot ordinarily prescribe what an individual or corporation engaged in a purely private business shall charge for services, and therefore, although the language of a statute may be broad enough to include such private business it will generally be excepted therefrom in order to remove all doubts of the validity of the legislation. It appears that some portion of the defendant's business is of a purely private nature, the receipts whereof are spoken of in its reports as private rentals, and as to such business Congress could not, if it would, prescribe what shall be charged therefor. In many buildings, both those belonging to the Government or the District, and those belonging to private individuals, is what may be called a local telephone plant; that is, an arrangement of telephones by which parties in different rooms can communicate with each other; a system which is not connected with the general telephone exchange, and is no more public in its nature than the speaking tubes or call bells in a building. It is only for the personal use of parties in the building. By it those in the building cannot communicate with the general public, nor can such public reach parties in the building. It is simply a local convenience for the use solely of those who are in the building. Such combinations of telephone instruments in a single building, with no outside connections, are furnished by the defendant, and the rentals therefrom, as well as the expenses thereof, are entered in its books of account, and constitute a part of its business. The mere fact that such telephones are furnished by the company, which also does a public business, does not make them a part of such public business, or subject them to the regulation by Congress of its charges. A railroad company may, if authorized by its charter, carry on not simply its strictly railroad business, but also an establishment for the manufacture of cars and locomotives. The fact that it is engaged in these two different works, would not in itself subject the manufacture of cars and locomotives to the supervision of the legislature, although such body would have the right to regulate the charges for railroad transportation. So, in an inquiry into the reasonableness of the charges imposed by Congress in this legislation, it is essential that the receipts and expenses from such private telephone systems be excluded from consideration."

In the case of People vs. Coler, 166 N. Y. 1, 59 N. E. 716, the court had before it an act of the Legislature of New York providing that laborers on public works should be paid the prevailing rate of wages. This provision of the statute was held to be void, and the court said:

"The contractor is a private individual, engaged in private business. When he enters into a fair and honest contract for some municipal improvement that contract is property, entitled to the same protection as any other property. It is not competent for the Legislature to deprive him of the benefit of this contract by imposing burdensome conditions with respect to the means of performance or to regulate the rate of wages which he shall pay to his workmen, or to withhold the contract price when such conditions are not complied with in the judgment of the city. When he is not left free to select his own workmen upon such terms as he and they can fairly agree upon he is deprived of that liberty of action and right to accumulate property embraced within the guaranties of the constitution, since his right to the free use of all his faculties in the pursuit of an honest vocation is so far abridged."

In Street vs. Varney Electrical Supply Company, 160 Ind., 338, 66 N. E., 895, an act of the Indiana Legislature was in question. It provided that unskilled labor employed on any public work of the State, counties, cities and towns should receive not less than 20 cents an hour. In holding this law to be in violation of the fourteenth amendment to the Constitution of the United States, the court said:

"If the Legislature has the right to fix the minimum rate of wages to be paid for common labor then it has the power to fix the maximum rate. And if it can regulate the price of labor it may also regulate the prices of flour, fuel, merchandise and land. But these are powers which have never been conceded to the Legislature, and their exercise by the State would be utterly inconsistent with our ideas of civil liberty. Among the most odious and oppressive laws ever enacted by the English Parliament in the worst of times were the statutes of labor of Henry VI and Edward III. These enactments fixed a maximum rate of wages for the laboring man, prohibited him from seeking employment outside of his own country, required him to work for the first employer who demanded his services, and punished every violation of the statutes with severe penalties. In the very nature and constitution of things legislation which interferes with the operation of natural and economic laws defeats its own object, and furnishes to those to whom it professes to favor few of the advantages expected from its provisions. The circumstances that the act of March 9, 1901, reverses the conditions of the statutes of labor of Henry VI and Edward III, and lays the burden and the penalty upon the employer instead of the laborer does not render it any less pernicious and objectionable as an invasion of natural and constitutional rights. Statutes similar to this have been before the courts of other States, and in nearly every instance have been held unconstitutional."

See also State vs. Norton, 5 Ohio (N. P.), 183; State vs. Firecreek Coal and Coke Company, 33 W. Va., 188, 10 S. E., 288.

The act of the Nebraska Legislature of 1909 falls within the principles announced in these cases, and as it does not seem that the portions of the act are separable the whole act must be declared void, and its enforcement will be enjoined.

The Proposed Uniform Law Regulating Fraternal Orders.

Mr. George Dyre Eldridge has written a paper on the proposed uniform law to regulate the fraternal insurance business, in which he points out the salient features of the measure, and in the course of which he says:

The agreement at Mobile, through which there is presented for the supervision and regulation of fraternal beneficiary societies the draft of a bill which has behind it the support of the Insurance Commissioners' Convention and of the fraternal orders, as represented in the two great bodies, the National Fraternal Congress and the Associated Fraternities of America, is a matter of national economic importance.

Every feature of this bill should be carefully studied, that its principles may be clearly grasped and that every society may be in position to consider and act wisely as to the steps necessary to meet its requirements. It sets the standard to which the society that aims to deal fairly with its membership must ultimately adjust itself, not alone because, with the force behind it, it is sure to become the law of the leadings States, but because it lays down principles to which every society that aims at perpetuation must conform.

Nothing less than what is therein required can accomplish the perpetuation of the system of fraternal protection or of the individual society.

The time has come when the managers of every society should recognize that nothing is to be gained from the mere temporary advantage of cheapness born of failure to provide for obligations incurred; that those institutions that have already placed themselves upon a proper foundation of rates, instead of thereby making themselves the target for an unjust competition, have led

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where all must follow, and that the sooner the steps necessary for such following are taken, the better will it be for the system of fraternal protection and for all who are charged with its responsibilities.

The great fundamental principle of the proposed bill is recognition of the right of each society, as a self governing, responsible body, to work out its salvation by its own selected means.

This is as it should be. Constituted as these organizations are, as great democracies, instinct with the right to manage their own affairs, anything less than this would be destructive, would strike at the very informing spirit of beneficiary fraternity.

No other method exists today by which the people may join together and obtain for themselves, under their own laws and guidance. the benefits of life insurance and of beneficiary protection. To have consented to legislation that would make of this right merely a pretense, an empty shell devoid of life or force, would simply have been betrayal. So far as I had any part in shaping results, I held this end continually in view as the first of all considerations, the members' right to manage their own internal affairs in their own way and not under the dictation or whip of outside power. Valuation, as a means, is of transcendent importance; but the end, to which that and every other process is directed, is the perpetuation of the people's right to combine for the purpose of protecting their dependent ones, and to manage their affairs in so doing through their own chosen representatives and agents.

Mr. Eldridge discusses at some length the principles of valuation, and in conclusion says:

Unless a society's records are so kept that a valuation can be fairly easily made, they are not so kept that the membership can be given accurate knowledge of the condition and needs of the society as a whole, or that the individual can know whether his certificate of membership is a stated redeemable provision for protection of his dependent ones, or simply something to cozen him and them into a belief that he has done his duty by them, when in reality he may have betrayed their most sacred interests.

The proposed bill requires of societies:

1. A test valuation as of December 31, 1912; a valuation to be reported to members annually from December 31, 1913.
2. Of societies whose assets and resources as represented by the present value of future contributions from members as actually collected do not equal 90 per cent. of the present value of their obligations, by the minimum standard, as of December 31, 1917, a decrease each three years thereafter of 5 per cent. of the deficiency—not of the present value of obligations.
3. Of newly formed and newly licensed societies rates sufficient to provide for the obligations they undertake.
4. A lodge system and ritual work.
5. A representative form of government.
6. Annual reports, as at present.

The proposed bill accords to societies:

1. Seven years from the end of the current year in which to put their affairs in order to comply with the requirements of valuation.
2. Three years more in which to make the first reduction in deficiency, if such exists.
3. Three years additional, if in the first three years the required improvement has not been made.
4. The right to provide for this required improvement in their own way, and, within the limit of ten to thirteen years, in their own time.
5. Sixty years in which to bring up the ratio of assets and present value of contributions as actually made to 90 per cent. of the present value of obligations outstanding.
6. The right of a society to make its own provision for expenses and to have its obligations valued in accordance therewith.
7. The right, if a society maintains the proper reserve, to use it for the benefit of members and to give to every member who fails to pay his assessment such equitable benefit therefrom as its own laws may provide.
8. The right to grant old age benefits.
9. The right to select its own standard of rates and valuation, within the minimum standard, including the right to measure by its own experience, if that experience has extended over twenty years and embraces at least 100,000 lives.
10. The right of appeal to the courts from the arbitrary decision of a supervising authority.
11. The right to be heard on the result of any examination made by the Insurance Department.
12. The requirement that the result of such examination shall be held sacred until such hearing has been had.
13. Exemption of funds from taxation.
14. The regulation of transfers of membership, so that honest transfers may be made and dishonest and scandalous ones prevented.
15. Exemption from general insurance laws now in force or hereafter enacted.
16. Protection for those that enter upon the work of putting themselves in line with its requirements against the unscrupulous and damaging competition of new organizations upon an inadequate and deceptive basis.
17. The right of self government and of regulating its own internal affairs.

The Northwestern
Mutual Life Insurance Co.
of Milwaukee

GEO. C. MARKHAM, President
A. S. HATHAWAY, Secretary

New Business Paid-For

1905	$ 90,334,038
1906	93,563,452
1907	102,233,634
1908	109,685,428
1909	113,716,188

Each year larger than any in the previous history of the Company.

Commenced Business 1858

INSURANCE MEN will note the significant increase in The Northwestern's new business during the past five years.

IMPORTANT FACTS relating to this business are shown by the following percentages:

	Expenses	Mortality	Interest
1905	12.15	67	4.73
1906	11.76	59	4.72
1907	11.81	58	4.76
1908	10.76	59	4.84
1909	10.63	54	4.85

It is capable of easy demonstration that The Northwestern is the best Company to insure in.

See The Northwestern's new (1910) policy contract with its Dividend Options, Paid-up and Endowment Options, Options of Settlement and the Premium Loan Feaures.

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H. F. NORRIS,
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GEORGE E. IDE, President

ASSETS, $23,626,618.63 LIABILITIES, $21,858,691.52 (Including Deferred Dividend Fund)

Dividend-Endowment Fund (Deferred Dividends)	$2,119,044.00
Net Surplus	1,767,327.11
Insurance in Force	92,532,583.00

The Record for 1909 shows the following GAINS:

Insurance in Force	$4,164,239.00
Assets	1,917,117.00
Deferred Dividend Reserve	148,581.00
Contingency Reserve (Surplus)	655,149.17

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[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1, 1910

CAPITAL

$1,500,000

RESERVE FOR ALL OTHER LIABILITIES

8,222,018

NET SURPLUS

6,440,211

ASSETS

16,162,229

GERMANIA

FIRE INSURANCE COMPANY

Organized 1859 **NEW YORK**

Cash Capital	$1,000,000.00
Assets	$6,562,329.14
Net Surplus	$2,008,419.02
Surplus for Policy Holders	$3,008,419.02

HEAD OFFICE: Cor. William and Cedar Streets

The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1910	$3,470,509.30
Total Liabilities, except Capital	1,920,837.24
Capital	500,000.00
Surplus to Policyholders	1,549,672.06

F. F. BUELL, Special Agent, Troy, N. Y.

Provident Life and Trust Co.

OF PHILADELPHIA.

The Provident has been particularly distinguished for the development of a highly trained force of agents. The systematic instruction which its agents receive has resulted in their being recognized as representatives of exceptional knowledge of the business and of marked efficiency.

Insurance Company of North America

FOUNDED 1792

232 Walnut Street, Philadelphia

Assets, January 1, 1909 ..... $12,014,062.63

LIABILITIES—Reserved for Reinsurance and all other claims	$7,263,156.97	
Capital Stock	3,000,000.00	
Surplus over all Liabilities	1,750,905.66	$12,014,062.63

Agents in all the principal towns and cities.

EUGENE L. ELLISON, President.

T. HOUARD WRIGHT, Secretary. HENRY W. FARNUM, Assistant Secretary.

BENJAMIN RUSH, Second Vice President. JOHN O. PLATT, Assistant Secretary.

Surplus to policyholders, $4,750,905.66.

Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

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PHOENIX

ASSURANCE COMPANY, LIMITED, OF LONDON

(ESTABLISHED 1782)

LOSSES PAID, OVER - - - $200,000,000

HEAD OFFICE FOR THE UNITED STATES

47 CEDAR STREET, NEW YORK CITY

A. D. IRVING, JR., SECRETARY — LOUIS P. BAYARD, PERCIVAL BERESFORD — JOINT MANAGERS

JUST WRITE

Today If Possible
To See What

HARTFORD LIFE

Will Do For You
ALL FORMS OF POLICIES
Hartford, Conn.

1825. THE 1910.

Pennsylvania Fire Insurance Company

OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,349,097.67
Surplus	2,233,426.43
Total January 1, 1910	$7,332,524.10

R. DALE BENSON, Pres. — W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. — HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

INCORPORATED 1851.

Berkshire Life Insurance Company

OF PITTSFIELD, MASS.

All Policies issued by the Company are subject to the Massachusetts Non-Forfeiture Law.

JAMES W. HULL, President.
W. D. WYMAN, Vice-Pres. and Treasurer. — J. M. LEE, Actuary.
THEO. L. ALLEN, Sec. — ROBT. H. DAVENPORT, Asst. Sec.
Agencies in all the principal cities of the United States.

"The Leading Fire Insurance Company of America."

Incorporated 1819. **Charter Perpetual.**

Cash Capital	$4,000,000.00
Cash Assets	18,062,110.33
Total Liabilities	7,999,405.99
Net Surplus	6,062,704.34
Surplus as to Policyholders	10,062,704.34
Losses Paid in 91 Years	119,451,567.10

WM. B. CLARK, President.
W. H. KING, Vice President.
HENRY E. REES, Secretary.

A. N. WILLIAMS, E. J. SLOAN, E. S. ALLEN, GUY E. BEARDSLEY, W. F. WHITTELSEY, JR., "Marine," Assistant Secretaries.

WESTERN BRANCH, Chicago, Ill.
THOS. E. GALLAGHER, Gen. Agt.
L. O. KOHTZ, Asst. Gen. Agt.
J. S. GADSDEN, Gen. Agt. "Marine."

NORTHWESTERN BRANCH, Omaha, Neb.
WM. H. WYMAN, Gen. Agent. W. P. HARFORD, Ass't Gen. Agent.

PACIFIC BRANCH, 514 California St., San Francisco, Cal.
E. C. MORRISON, Gen. Agt.
A. G. SANDERSON, Asst. Gen. Agt.

INLAND MARINE DEPARTMENT,
CHICAGO, 159 La Salle St. — NEW YORK, 95 and 97 William St.
BOSTON, 70 Kilby St. — PHILADELPHIA, 226 Walnut St.

The Columbian National Life Insurance Co. of Boston, Mass.

LIFE, ACCIDENT AND HEALTH INSURANCE

The Only Massachusetts Non-participating Company.

The New Columbian Policies are Unexcelled in Clearness and Liberality. Good Contracts and Territory for Good Producers.

ARTHUR E. CHILDS, President

COMMERCIAL UNION ASSURANCE CO.

LIMITED,
OF LONDON.

OFFICE:

Cor. Pine & William Sts., New York.

Liability — Accident
Boiler — Disability
Plate Glass — Fly Wheel
Automobile Liability and Defence
Employers' Compensation
Insurance

Casualty Company of America

HOME OFFICE KUHN-LOEB BUILDING 52-54 WILLIAM STREET NEW YORK

THE LEADING FIRE COMPANY OF THE WORLD

[of Liverpool, England.]

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A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS is unsurpassed for net low cost and care of interests of all members.

The Penn Mutual Life Insurance Company

OF PHILADELPHIA

On January 1, 1909, rates were reduced and values increased to full 3 per cent. reserve.

National Life Insurance Company

of the United States of America

ALBERT M. JOHNSON, President

More than $9,750,000.00 in Assets
Excess Security to Policyholders, $1,300,000.00

Chicago's Oldest and Strongest Company

OUR NEW POLICIES ARE WORLD BEATERS
LOW RATES AND HIGHEST VALUES

You Lose Money When You Neglect Your Chance to Sell Them

WRITE TO

Robert D. Lay, Secretary, 159 La Salle Street, Chicago.

THE

Good Contracts for Good Men.

ROLAND O. LAMB, President.
Robert K. Eaton, Superintendent of Agencies.
Walton L. Crocker, Secretary.

WILLIAM N. COMPTON, General Agent, St. Paul Building, New York

THE HOME LIFE INSURANCE COMPANY

OF AMERICA. Inc. 1899

JOHN LANGHAM, Jr., President JOSEPH L. DURKIN, Secretary
EDWARD P. MADDEN, Treasurer

General Agents and District Managers

who can produce Ordinary Business can secure "GROUND-FLOOR" contracts with GUARANTEED RENEWALS and an assignment of territory limited only by capacity to produce AGENCY ORGANIZATION and Business. Send for Sample Policy. *It is one you can sell.*

New Business, $1,500,000, January-June, 1910.

Address GEO. M. NETTLESHIP, General Manager
Executive Offices, 416-18-20 Walnut St., Philadelphia, Pa.

HANOVER

Agencies in all the Principal Places in the United States.

Fire Insurance Company
OF NEW YORK.

Western Assurance Company

HEAD OFFICE: TORONTO, CANADA.
INCORPORATED 1851.
Hon. GEO. A. COX, President.
W. R. BROCK and JOHN HOSKIN, K. C., LL. D., Vice Presidents.
W. B. MEIKLE, General Manager.

UNITED STATES STATEMENT, JANUARY, 1910.

Assets	$2,377,308.37
Surplus in United States	839,268.07

"STRONG AS THE STRONGEST"

THE NORTHERN ASSURANCE CO.

(Ltd. of London)

ORGANIZED 1836 ENTERED UNITED STATES 1876

Losses Paid	$83,000,000
Losses Paid in the United States	$27,000,000

EASTERN AND SOUTHERN DEPARTMENTS.
Company's Building, 38 Pine Street, New York

Net Surplus and Capital, $486,413
Income 1909, . . . 1,146,723

WILL AID GOOD MEN IN ESTABLISHING AGENCIES
Best Policies, Largest Commissions or Profit Sharing Contract

NORTH AMERICAN ACCIDENT INS. CO.
A. E. FORREST, Vice-Pres. & Sec'y, Chicago.

North British & Mercantile

INSURANCE COMPANY,

OF LONDON AND EDINBURGH.

Established 1809.

OFFICE:

76 WILLIAM STREET,
New York City.

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The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

VOL. LXXXIII. NEW YORK, SATURDAY, NOVEMBER 26, 1910. No. 22.

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

IT will be noticed by the program of the important meeting of the Association of Life Insurance Presidents, to be held at Chicago in early December, that the educational side of the life insurance business will be the larger feature of the meeting. The need of "getting the right kind of men as recruits for the army of life insurance agents" will be emphasized in the addresses and discussions, which will cover the training of college students for the work, as well as men who do not have the opportunity for the advanced education. The field is immense, and, considering the ungathered crops, the laborers are yet comparatively few. No more valuable effort for life insurance can be made than that of preparing a host of highly efficient salesmen for the work. The association asks the co-operation of officers of all life insurance companies at the meeting in the consideration of its proposition. In this connection it is well to call attention to the educational program for fire, casualty and surety underwriters which the Insurance Institute of America has undertaken, and which we also print. It promises to be very thorough, and certainly will be exceedingly valuable.

A FRESH instance of the avidity with which insurance moneys paid to widows inexperienced in financial matters are absorbed by crooked promoters is furnished by the case of Burr Brothers, recently removed with the assistance of the Federal authorities from the Flatiron Building to the Tombs, New York. Among the many women who beseiged the offices of the post office inspectors with piteous pleas for the recovery of their savings, sent to the firm on promises of fabulous returns, were those who had entrusted to the operators the entire proceeds of the life insurance policies left by their dead husbands. That a large percentage of such funds is taken from unsuspecting women by swindlers the world over is well known, but the revelations of the week seem to warrant a suggestion to insurance companies. Might it not be helpful in preserving to widows the funds provided for their maintenance if each draft in payment of terminated policies were accompanied by a well written letter of advice to keep away from those who solicit the handling of such funds with promises of unusually large returns? Warrant for the unasked counsel is found in such experiences as that of the Philadelphia widow who sent the Burrs four thousand dollars insurance left by her husband and all the money she possessed, and the companies would be performing an act of human kindness by at least putting the beneficiaries on their guard against the enemies who approach them under the guise of friendship.

FOR temporary lack of "graft" witnesses, the New York legislative investigating committee put in two days of inquiry into fire insurance methods this week. Counsel for the committee explained that only elemental facts were wanted at first to serve as a basis for closer investigation of details. The testimony elicited in this preliminary examination was truly elemental, being to the effect that the Fire Insurance Exchange, not the National nor local board, fixes the metropolitan rates; that brokers are licensed by the Exchange, not the State, and that public adjusters work for the insured, not the underwriters. The theory and results of the application of the co-insurance clause were also explained. With this basic knowledge embedded in their minds the members of the investigating committee ought to be able to build wisely and justly their conclusions—even if they do not. Correlatively, with the proper end in view, they should avoid prejudice and be deaf to public clamor. There were indications in Counsel Bruce's questionings that the Fire Insurance Exchange with its rate making is the point of attack. The committee has a considerable amount of graft yet in its hopper to grind out, and the remainder of its official existence is a scant seven weeks. It is not much time to settle a great question.

THE essay on classification of fire insurance risks which the Hartford Fire insurance company has prepared for its agents completely demolishes the assumption that such classification is possible as a guide for rate making. The impossibility is inherent in the nature of the business, and principally because no two risks are exactly alike. Considering the factors of exposure, differences in care, cleanliness and the business methods of occupants and the combinations of varying hazards under one cover, no number of cognate risks are near enough alike to furnish an idea of average value. The essayist supplies a pertinent illustration of the multiform nature of many risks in the following paragraph:

Risks are complex and seldom precisely alike. As a single instance of complexity we may take a three story brick building occupied on the ground floor as a drug store, on the second floor as a millinery shop; on the third floor as a printing office. Here in one building are presented the distinct hazards of three kinds of risks. To what class shall it be posted? Perhaps there is not another building in the same State occupied by exactly the same combination of hazards. A company writing the stock on the ground floor would classify its risk as a drug store. The company writing the property on the second floor would probably call it a millinery store. The company writing the property on the third floor would doubtless classify it as a printing office. Now a frame dwelling situated next door catches fire, and the fire spreading, entirely destroys the three story brick building and contents. The loss did not arise from a cause inherent in any of the classes con-

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tained in the brick building. What good reason is there for saying that this occurrence has any relation to the discriminatory rates which should attach to other drug stores, millinery stocks and printing offices?

Again, few fire insurance risks—unlike life insurance risks—are standard or can be made so, and their owners may never suffer from fire or may suffer only slightly, or suffer a total loss. Another variant affecting hazard is the proximity of fire departments—efficient or inefficient—or the absence of all assistance of that character. The adequacy of the water supply is an important consideration in determining the hazard. So also, as previously said, are the degrees of cleanliness and business methods of those having the care of insured property. All these factors and many more enter into the cost of a risk, and as they differ so numerously and so widely the risk cannot be put in a class upon which an average rate can be definitely calculated. It will be recalled that the actuary of the New York legislative investigating committee inspired Chairman Merritt to ask the companies for their three years' experience in the United States on twenty-eight specified classes of risks. What are they going to do about it?

Facts and Opinions.

The investigation by the New York Insurance Department of the **Fire Securities Company of New York** and the First National Fire insurance company of Pennsylvania, which when begun in July last developed only the fact that these companies, then recently organized, had not actively begun operations, was resumed a few days ago. Such action was based upon information that the president and secretary of the Fire Securities Company, the former a resident of New York, had resigned, and that the promoters of the company, residents of Pennsylvania, were forming or had formed the Fire Securities Company of Delaware. It is thought that it is the intention of such promoters to transfer the assets of the New York corporation to the new Delaware corporation of the same name, and thus to escape departmental examination under the New York law permitting the insurance department to examine promoting companies of this class. On the examiners of the department proceeding to Harrisburg (the present home office of the company) early this week for the purpose of examining the books, accounts and financial transactions of the Fire Securities Company of New York, such examiners were refused access to such books by W. W. Abbott, of Harrisburg, who stated that he was the vice president of the company, and F. B. MacCarthy, its local counsel, the latter stating that the company had a big deal pending and would not permit the examination until after such deal was consummated. He did not state whether the deal referred to was with the new Fire Securities Company of Delaware. The First National Fire insurance company of Pennsylvania seems as yet to be merely a name, although it expects to have $500,000 capital and $500,000 surplus. For reasons above indicated, however, the department cannot as yet give accurate information as to the transactions to date of the Fire Securities Company of New York.

We announced last week the appointment of Emerson C. Harrington by the Maryland Board of Public Works to be **Insurance Commissioner of Maryland,** to succeed the late Commissioner Crouse. The following sketch of Mr. Harrington appears in the *Baltimore Underwriter:*

Mr. Harrington is from Cambridge, Dorchester County, where he was born in 1864, and stands well socially and professionally in his county. He graduated from the St. Johns Academy, Annapolis, in 1884, and then for four years taught Latin and mathematics; then for two years he was principal of the Cambridge Academy, and when it combined with the Cambridge Female Academy he continued as its principal for nine years. While connected with this school his energies were given to the study of law, and in time he was admitted to the bar. In 1899 he was elected on the Democratic ticket as State Attorney for Dorchester County, and served his time of four years, and while in office he was one of the most active men who ever held that office, and we are informed his services as district attorney commanded the confidence and admiration of the citizens of his county without regard to politics. He was one of the organizers of the Farmers and Merchants Bank of Cambridge, and also one of its directors. Of Mr. Harrington those who know him will say that he has never held an office, but what he gave it his best attention, and we feel that in his coming to the office of Insurance Commissioner that he will as with others who have preceded him give it that attention it deserves, and also that with his conservative way of looking at things, will see that nothing of a radical nature will be done to upset the business as it has been done for some years in this State. It is a pleasure to know that Prof. Joseph E. Green, who has been deputy commissioner since 1905, will be retained, as we are so informed by Governor Crothers. Professor Green, we can say without fear of contradiction, has been the best official in this position since the office was organized, and being a lawyer and a mathematician also, it is a pleasure to know that the Maryland Insurance Department for the next four years will be in good hands.

The Commissioners of the District of Columbia have appointed George W. Ingham to succeed the late Thomas E. Drake as **Insurance Superintendent of the District of Columbia.** Mr. Ingham has been for some years the statistician of the insurance department. Superintendent Drake died in July last, and Deputy Superintendent Daniel Curry has been acting superintendent since that time. The District Commissioners accompany the announcement of the appointment of Mr. Ingham with the following statement:

After weeks of careful investigation and consideration of the matter of filling the vacancy in the position of Superintendent of Insurance of the District of Columbia, the commissioners concluded that either of the two ranking employees of the office is as competent to fill the position as is any other person that is available. It becomes, therefore, the duty of the commissioners, in accordance with their policy of filling vacancies by promotion, where practicable, to name one of the employees next in line. In the case of Daniel Curry they took cognizance of his long and faithful service and the good work he has done as acting Superintendent of Insurance. Mr. Curry has the indorsement of many of the leading professional men and others of Washington. George W. Ingham has been connected with the insurance department since its organization, possesses fine ability and, in the judgment of the commissioners, is thoroughly competent to perform the duties of the office. He is indorsed by nearly 30 per cent. of all the insurance companies doing business in the District of Columbia, which has, of course, had weight with the commissioners in determining the relative merits of those under consideration. Mr. Ingham's appointment is made in the best exercise of their judgment to obtain the best service in the position of Superintendent of Insurance that appears to be available.

The following changes have been made in the standing committees of the **National Convention of Insurance Commissioners:**

Committee on Laws and Legislation—Emerson C. Harrington, Maryland, vice Benjamin F. Crouse, Maryland; M. O. Rowland, Michigan, vice James V. Barry, Michigan.

Committee on Examinations—Reau E. Folk, Tennessee, vice James V. Barry, Michigan.

Committee on Expenses of Fire Insurance Companies—M. O. Rowland, Michigan, vice James V. Barry, Michigan; Eugene J. McGivney, Louisiana, appointed chairman, vice James V. Barry, Michigan.

Committee on Fidelity and Surety Companies—Emerson C. Harrington, Maryland, vice Benjamin F. Crouse, Maryland; Samuel W. McCulloch, Pennsylvania, appointed chairman, vice Benjamin F. Crouse, Maryland.

Committee on Blanks—Albert L. Reeves, Missouri, vice M. O. Rowland, Michigan.

Under a resolution of the convention a committee on codification of rulings has been created, and the following appointments upon that committee are anounced: John A. Hartigan, chairman, Minnesota; F. H. McMaster, South Carolina; William H. Hotchkiss, New York; Frank H. Hardison, Massachusetts; Theodore H. Macdonald, Connecticut; J. S. Darst, West Virginia; C. C. Lemert, Ohio; James R. Young, North Carolina; Reau E. Folk, Tennessee.

That form of **State life insurance** in Great Britain known as post office insurance, the insurance being written by the

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Government to applicants through the Post Office Department, is transacting less business every year, the amount at best being very small. The London *Insurance Observer* says of the last report:

Once more the insurance department of the post office has had to admit to failure—of a worse type than ever before. In the year covered by the report only 395 policies, assuring a total sum of £19,324, were issued—figures which compared with 421 and £21,535 respectively in 1908—and at the end of December there were only 12,996 contracts in force for an amount of £743,644, a decrease of 166 in number, and £13,355 in amount. Not much better was the record made in connection with the grant of annuities, 1,730, for sums amounting to £40,124, being completed, or a falling off of 82 and £929 compared with the previous year; only 29,015 of these contracts, for £690,420, are now in force. The business in deferred annuities was also smaller than before, and quite contemptible. Exactly 127 contracts for £2,752 were granted, against 137 for £2,560 in 1908. Such a Government department as is revealed by this statement is purely farcical, and its abandonment would be the most creditable course to pursue.

Reviewing the **fire insurance results of 1910** in the middle of the eleventh month of the year, the Chicago *Record-Herald* says:

Many fire insurance companies have been complaining this year of a falling off in premium income, while others which do not show a falling off have been unable to maintain their former ratio of increase. Some managers have been disposed to think this was due to pernicious activity on the part of their competitors, a belief which is apt to lead to recriminations and reprisals and resultant demoralization. In most cases, however, a large part of the falling off is due to a sharp reduction in the average rate of insurance, resulting from the multiplication of sprinklered risks and fireproof buildings, reductions made by the application of the analytic schedule and the general effect of competition. Several companies have tabulated their business for the first ten months of 1910, the results showing this to be the cause. One company had an increase in liability of almost 10 per cent., with an increase in premium income of only 3 per cent. Its average rate in 1909 was $1.122, and in 1910 was $1.078. Its carefully kept records show a steady reduction in the average rate from $1.32 in 1902. Another company shows an increase in liability of 5 per cent., and in premium income of only 1 per cent., its average rate so far in 1910 being $1.101, as compared with $1.138 last year. Its average rate in 1895 was $1.44, and was $1.35 in 1902, since when it has fallen steadily.

An interesting feature of the plans of the **Chicago** fire insurance interests for the **new Underwriters' Building on Jackson boulevard** is the reference of all disputes concerning location and space in the new building to a board of arbitration. This board, composed of Charles N. Bishop, president of the Chicago Board of Underwriters; L. O. Kohtz and Clarence E. Pellet, both former presidents of the board, held its first meeting this week with Manager Glidden. It is expected that tenants will group themselves in the new location very much as they are now associated in the National Life Building, under the operation of a process of natural selection. Under present plans the filling up of the floors begins at the top of the building, and one floor is to be completed before another is taken up in order. To prevent any feeling as to ground floor offices it is provided that no insurance tenants shall be located below the third floor.

A reorganization of the **insurance department of the Washburn-Crosby Company of Minneapolis**, a flour milling company, has been effected. For a premium of 5 cents per week the company will insure its employees for a weekly benefit of $9, not to exceed twelve consecutive weeks for one accident; on accidental death, legal dependent heirs to receive $500, less amount, if any, paid for weekly indemnity; sick benefit of $9 a week after four days' sickness, not to exceed twelve consecutive weeks for one sickness; on natural death legal dependent heirs to receive $300, less amount, if any, paid for weekly indemnity; on death from accidental or natural cause, funeral expenses not to exceed $75 will be paid. The plan becomes operative November 29. The corporation will make good any deficit occurring in the funds. Its insurance department has been in existence twenty-seven years.

The Attorney General of **Indiana** has secured a modification of the decree entered in his **anti-trust case**, involving the fire insurance companies, which was prepared by Judge Weir last week. A report says:

The decree made no change in the existing status, the business going on as it has since rearranged after the temporary injunction was entered. The Indianapolis papers, however, reported the decree as authorizing general agreements on rates, while the intention was to limit this permission to the writing of concurrent policies. The decree was modified by Judge Weir so as to remove any possible ambiguity on this point. The companies also secured a modification of the decree exempting them from paying a large part of the costs of the litigation, as not involved in the main issue, the cost falling upon the State. Attorney General Bingham is reported to have offered to join with the companies in asking Judge Weir to reform the decree, and to enjoin the companies from combining to fix any commission higher than 15 per cent. This would permit individual companies to pay higher commissions if they chose, although Attorney General Bingham said that if it were possible it would be well to prevent the payment of more than 15 per cent.

The **fire insurance bureau** to be established **by the Indianapolis Commercial Association** has proposed to the leading companies that it be given an agency license and be permitted to represent them in Indianapolis at the regular commissions of 15, 20 and 25 per cent. The committee offered to guarantee the payment of accounts monthly and to materially increase the volume of business. The excess of commissions above the cost of handling the business would go to maintain the insurance bureau, the plan being that it should represent the members of the association in securing inspections, improvements and proper rates and forms. It was stated that the leading members of the association would turn over their entire insurance business to the committee, and that it would be able to control the greater part of the Indianapolis premiums.

The *Agents' Record* of the United States Health and Accident Company of Saginaw, Mich., wants to know:

How would you like to be in the fire insurance business? In Newark, N. J., 140 different fire insurance companies are transacting business at the present time.

Certainly, and to be exact, the number of stock **fire insurance companies reporting to the New Jersey Insurance Department** is 149, to which should also be added twenty-four New Jersey mutuals. These, together with various unauthorized companies grabbing for Newark business and a few associations of inter-insurers probably existing under cover, should furnish passably exciting the New Jersey competition for fire insurance business. And there's the new company now in process of organization over there, which should not be forgotten.

The committee on publicity and education of the **Western Union** is getting very satisfactory results in its **campaign of publicity** among the trade papers. Nearly all of the leading journals, which have great influence in their various lines, have declared their willingness to print general articles on the fire waste, and have asked for special articles showing how to reduce the hazards of their particular lines and secure better relations with the insurance companies. A notable feature of the situation is the remarkable hold the mutuals and inter-insurance concerns have secured on a large number of the trade journals. The national associations in the various lines have formally indorsed inter-insurance concerns specializing in their industries, and a number of trade papers are carrying advertisements of mutuals.

The **public school fire insurance tangle at Newark, N. J.**, is still bothering those connected with the award of the contracts. As the old insurance expired November 21 the three local companies put on temporary binders, which, if the local

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companies do not get the business, will cost about $1,000 for the short term. Outsiders are the lowest bidders. They will fight to force the board of education to accept the lowest bids. The local companies feel they are entitled to the business because they are local taxpayers. If they cut rates to get the business there will be dissatisfaction among agency companies which maintained the rate in their bids. The board of education is getting experience whether it gets insurance or not.

For the month of October the **leading cause of death** among New York Life policyholders was consumption. The record of deaths was as follows: Consumption, 68; Bright's disease, 66; heart disease, 62; accidents, 57; cancers and tumors, 45; apoplexy, 36; pneumonia, 34; diseases of digestive organs, 33; typhoid fever, 32; paralysis, 20; liver disease, 18; spinal disease, 11; diabetes, 10; diseases of arteries, 9; blood poisoning, anemia, etc., 9; bronchitis, pleurisy, etc., 8; old age, 8; appendicitis, 7; nervous prostration, congestion of brain, etc., 3; rheumatism, 2; all other causes, 87. The policies terminated represented insurance amounting to $1,900,267.73. To living policyholders the company paid $2,185,085.71 during the month.

The new **Insurance Commissioner of Utah,** Willard Done, who has succeeded the late George B. Squires, was formerly an agent of the New York Life insurance company. He is a native of Utah, forty-five years old, and was educated principally at the Brigham Young Academy at Provo, Utah, and at the Illinois Wesleyan University, from which he graduated with the degree of Ph.B. He was a teacher from 1883 to 1900, agent of the New York Life from 1900 to 1906, private secretary to Governor Carter in the latter year, member of the State Legislature in 1903, assistant insurance commissioner in 1909 and until the death of Commissioner Squires. He is a man of good judgment and well fitted for the position he occupies.

The announcement that Insurance Commissioner Hartigan, of **Minnesota,** will not accept a reappointment as **commissioner** after the expiration of his term in February, 1911, is received with general regret, as his marked efficiency and regard for the interests of all are appreciated by the public and the underwriters. Regarding the succession, the *Insurance Field* says:

Charles W. Farnham, an attorney of St. Paul, is strongly tipped as the next insurance commissioner in Minnesota. He has done considerable legal work for the department, so that he is well informed regarding its workings. He has been secretary of the State Bar Association, and was secretary of the famous "Committee of Fifteen," which met in Chicago in 1906 to draft bills for uniform life insurance laws in the different States.

There will be meetings of the stockholders and policyholders of the **Equitable Life Assurance Society** on December 7, when thirteen directors will be elected to succeed those whose terms will have expired. Six of these will be elected by the stockholders and seven by the policyholders. The board of directors numbers fifty-two members, divided between the stockholders and policyholders, each succeeding annual election tending toward the numerical majority of the representatives of the policyholders. J. Pierpont Morgan has not yet announced his purpose regarding the trustees to succeed George Westinghouse and Morgan J. O'Brien, who have been holding over since the expiration of their terms on June 15.

The Virginia business of the Southwestern Life insurance company of Dallas, Tex., has been turned over to and assumed by the **American National Life of Lynchburg,** the Southwestern Life having retired from Virginia a year or so ago and wishing to take up its State deposit. It is understood that this business was not large, but this is the second instance this year of the American National having absorbed the Virginia business of other companies. It is understood that it is the expectation of the American National Life to make an effort to consolidate under American National management several young companies whose stockholders are getting tired waiting for dividends.

The **Alabama Insurance Department** made several **rulings** of importance during October, including the following:

That it is a violation of the rebate act for one agent to give his commissions to another agent, the effect of such violation being to give agents as insurers advantage over those in other callings.

That companies must not take for insurance premiums notes secured by mortgages on real or personal property.

That the practice of using insurance policies as premiums or souvenirs by merchants and business men is out of line with dignified insurance ethics, and all who in any way have part in sending out such policies are acting as agents, and must pay license.

That stockholders of insurance companies who solicit or in any way influence or attempt to influence business to their company or companies, are subject to the agents' license law.

Of Lieutenant Governor Warren R. Porter, of California, who has been elected president of the **Western States Life** of San Francisco, to succeed the late Arthur R. Briggs, the *Insurance Field* says:

He is a "native son," having been born in Santa Cruz, March 30, 1861. He was educated in the public school and the old St. Augustine's Academy at Benicia, Cal., and started his business life as a clerk in the Bank of Watsonville. After an extensive training in the lumber business he was one of the organizers of the Pajaro Valley Bank of Watsonville and the Savings Bank of Watsonville, of which he is president. He is also a director of the Anglo-California Trust Company of San Francisco. Mr. Porter's first dip into politics was as a Presidential elector in 1900. He was elected lieutenant governor in 1906. His commercial interests in the State are most extensive.

The hazard of **fires from** various **electric heating appliances,** says the *Fireman's Fund Record,* is becoming more and more apparent. Such heaters are often installed on electric circuits, the wires of which are already so fully loaded that any considerable increase of the electric current therein is liable to melt connections and lead to destruction of the property. The necessity for some form of protection to underwriters against this increased hazard is already being seriously considered, and some form of warranty clause may be demanded in the near future to the effect that the installation of any electric heater has been properly made and approved.

The Supreme Court of Texas, in its opinion mandamusing the Insurance Commissioner upon the petition of the Fireman's Fund insurance company compels him, says an Austin press dispatch, to assess the **cost of the new State rating board** upon all the fire insurance companies doing business in the State. The commissioner sought to exempt seventy-eight of the 122 fire insurance companies operating in Texas on the ground that they cannot be assessed under the provisions of Section 16 of the act of April 19, 1909, but the court expressed the belief that to continue the section as sought by the commissioner would be unconstitutional.

Rebating is little restricted by law in Arkansas, according to Auditor John R. Jobe, who in his latest bulletin says:

Occasionally reports reach this office of rebates being given by agents of certain life companies, generally in an indirect way, but amounting in the end to a rebate, pure and simple. The department has been asked what can be done to stop this practice. Under our law nothing, so far as this department is concerned. Another practice, which is reported to be in vogue, and which is not prohibited by our laws, is that of offering a share of stock in an agency corporation, as an inducement to take a policy in the

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insurance company. These practices are of questionable propriety, to say the least, and the companies indulging therein are open to the charge of being unable to compete with other companies on their merits.

The department of the Attorney General of Texas has furnished Insurance Commissioner Von Rosenberg with an opinion wherein it is held that a life insurance company can write **guaranteed annual dividend policies,** provided the dividend is within the expense loading on the premium. This question came up over a policy issued by the Kansas City Life insurance company of Kansas City, which policy has the words "guaranteed annual dividend." This ruling reverses a ruling on this same proposition made by former Insurance Commissioner Love last year.

The retirement on December 1 of Pierre De Stael Olney as **Pacific Coast Branch Secretary of the Commercial Union** of London is announced by Pacific Coast Manager Niebling, as also is the appointment of H. L. A.Bates as his successor. Mr. Bates was recently the general agent of the Shawnee Fire of Topeka on the Coast, and had previously been a special agent for the Magdeburg. Mr. Olney, says the *Pacific Underwriter,* has long had in mind a desire to pass some time in Europe, and it is understood that his retirement has this purpose in view.

The biennial report of the **Insurance Commissioner of** the State of **Washington** will show an aggregate exceeding $800,000,000 of insurance in force in that State. Fire and marine risks aggregate nearly $500,000,000, and life insurance of $270,000,000. In ten years receipts of the department have increased from $46,000 to $284,000. Receipts of the next two years are estimated at $620,000. The commissioner asks the Legislature for an appropriation to meet expenses of investigating and examining insurance companies.

The **Associated Fraternities of America** has printed the report of its conference committee of the conferences with a like committee from the National Fraternal Congress and the committee of the National Convention of Insurance Commissioners. The conferences took place at Mobile in September, when the annual meeting of the insurance commissioners was in session, and resulted, as is well known, in the adoption of a uniform bill for presentation to the State legislatures regulating the fraternal insurance business.

Answering a request by Chief Examiner T. W. Kirby, of the California Insurance Department, thirty-three insurance commissioners have approved Mr. Kirby's suggestion that a **convention of State insurance department examiners** be held each year coincident with the meeting of the National Convention of Insurance Commissioners. Mr. Kirby will now suggest to the committee on examination of the National Convention that the first convention of examiners be held at Milwaukee next year.

The **Kentucky Board of Fire Underwriters** at its annual meeting last week elected the following officers and executive committee: President, John M. Picton, special agent American Central; vice president, M. B. Russell, special agent Fireman's Fund; executive committee, A. I. MacPherson, special agent St. Paul Fire and Marine; Joseph M. Rogers, special agent Springfield Fire and Marine; C. L. Foster, special agent Continental; C. J. Scruggs, special agent Northern of London.

The first general meeting of the proposed new **Southern Insurance Association** will be held in Atlanta December 8-9. Those interested are enthusiastic over the prospects for a successful organization. The name suggested by the committee in charge of the preliminary organization is "The Conference of Southern Insurance Companies." Since the idea was advanced the original nine companies have been joined by twelve others, and more are certain to get in line.

The **Seattle** Chamber of Commerce began a campaign some time ago to secure the opening of **fire insurance general agencies** for the Northwest in that city, promising to throw the business of its members to companies which maintain such general agencies. The Seattle local agencies are now protesting against these general agencies operating local agencies, holding that some of them are merely high commission local agents under another name.

Newark insurance men are interested as to who will be the new president of **the Newark Fire** to succeed the late John J. Henry. The matter will probably be taken up by the directors in about two weeks. Charles M. Henry, a son of the deceased, is secretary of the company; and the vice president is George F. Reeve, who is also head of a large retail coal concern, well known bank director and president of the Newark Board of Trade.

In an address on Thanksgiving Day in the Har Sinai Temple, Trenton, N. J., Governor-elect Woodrow Wilson expressed the opinion that the **appetite for legislation** is one of the most conspicuous things about the spirit of America today, and he added:

I believe that law is not a dynamic force. Its object is to hold things where they are. It makes fast what has been achieved. True progress must be in the lives and hearts of the people rather than in a slavish dependence upon laws.

The answer of a New Orleans life insurance general agent when asked about **the negro as a life insurance risk,** as given by the *Insurance Herald,* is interesting. He said:

I regard the difficulty in securing the exact age of the negro the principal feature, and our experience has been that it is almost impossible to secure anything like an accurate statement from the darky as to when and where he was born. Most of them do not know. Many of them do not know their parentage, and when it comes to family history you are almost wholly at sea.

A Chicago real estate man is said to be in New York in an effort to interest local capital in a proposition to erect a **building in New York to house all local fire insurance agencies,** similar to that proposed for Chicago, and for which all available space has now been contracted. Chicago banks bought $4,000,000 of bonds for the purpose the past week. It is said considerable interest in the project has been aroused here.

A test case decision by Magistrate Smith at Burlington, N. J., declares that the exercise of precaution does not constitute an excuse for escaping responsibility when **fires in State forests in New Jersey** are caused from brush fires on private lands adjoining. The magistrate declared that the conservation of State forests demanded the most stringent interpretation of the new forestry laws.

The **Washington State Association of Local Fire Insurance Agents** was organized this week with the following officers: President, T. K. Binnie, of Spokane; vice president, Seth Morford, of Seattle; secretary and treasurer, E. L. Ensign, of Spokane. The executive committee is composed of George C. Goodman, of Tacoma; L. O. Janeck, of North Yakima; W. R. Paxton, of Walla Walla, and A. C. Hibbard, of Everett.

Philadelphia municipal authorities are planning to secure legislation at the next session of the Pennsylvania Legisla-

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ture to **improve the Philadelphia building code** so as to reduce the fire hazard within certain boundary lines in the city. The proposed provisions will prevent the building of many types of buildings now in common use in the city, and will promote the increase of fireproof construction.

Application for the appointment of receivers for the **German Mutual Life of Chicago** has been made by a policyholder. The company was formerly known as the German Mutual Benefit Association, which had assets amounting to $113,402.60 when it was transferred to the new company on May 9. Serious accusations of various kinds are made against the officers of the company in connection with the transfer.

The Montana license of the **St. Paul Mutual Hail and Cyclone insurance company** of St. Paul has been revoked by Insurance Commissioner Cunningham on the grounds of misrepresentation, reprehensible conduct and dilatory tactics in the settlement of claims on the part of the executive officials. The company was notified that it would be given opportunity to clear itself of the charges.

A sentiment is being expressed that the **next convention of the National Association of Life Underwriters** ought to be held in June. It is said that Chicago is not at its best in September, and that October is too late. The month of June is being favored. The decision rests with the executive committee, whose members are open to listen to the preferences of those most interested.

The resignation of General Agent Lenahan, of the **Western department of the Fidelity-Phenix**, has been accepted. His successor will be appointed next week by Vice President George E. Kline, who will go to Chicago for the purpose. The present assistant general agent, Charles R. Street, is expected to get the position. Mr. Lenahan's future plans are not yet announced.

One of the things hard to understand about the fire insurance business is the view of a Minneapolis property owner whose building is classed as non-exposed, and who sued out a temporary injunction in an attempt to prevent the companies from applying uniform rates, which would operate to reduce the exposure charges now in vogue there.

The appointment of Hall & Henshaw to represent the **Royal London Auxiliary insurance company**, Ltd., of London, is announced. This company is a subsidiary to the Royal London Mutual insurance company of London, which was founded in 1861, and has total cash assets of over $13,000,000. Legitimate surplus lines will be written.

Remembering the experience of last fall, when damage amounting to $1,250,000 was done to **shipping on the Great Lakes**, it is said to be unlikely that marine underwriters will grant any extensions after the time for expirations on November 30. The present season has been fairly satisfactory as to cargoes, but less so as to hulls.

It is reported that the rough draft of the report of the **examination of the Metropolitan Life** by the New York Insurance Department has been completed and forwarded to the officers of the company for their information. The examination has been in progress for more than a year.

The **Illinois Coal Operators' Mutual Liability** insurance company is raising by assessment a surplus fund of $125,000 to offset losses sustained by the members during the recent strike. The company membership includes 150 Illinois mines, and the premium income is $150,000 per year.

The October written and approved business of the Chicago general agency of the **Northwestern Mutual Life** was $590,300 and the paid-for $485,100. During the month twelve men, all of whom became workers in the agency during the year, wrote $119,000 in applications and paid for $70,000.

An invitation has been extended by the legislative investigating committee to **Mr. Henry E. Hess**, former manager of the New York Fire Insurance Exchange, to appear before the committee at the proper time, and explain the scope and methods of the Exchange.

It is stated that in **Wisconsin** the office of **State fire marshal** may be abolished, and a State fire inspector as one of the departments of the State Insurance Department substituted, as a result of new political control. The plan is being vigorously opposed.

We have received the following from the **Metropolitan Life insurance company:**

New York, November 21, 1910.—The Metropolitan Life Insurance Company announces with regret the resignation of Assistant Secretary Betts after several years of valuable and efficient service.

The Western Union rules that **telephone exchange property** may be written for three and five years at two and one-half and four annual premiums, if located in brick mercantile buildings, which are themselves eligible for term insurance.

The well known **Goldberger cases** at Pueblo, Col., have been compromised for $6,000. The claimant, who is now serving time for arson, assigned the policies, and the circumstances were such as to make the compromise expedient.

The State Auditors of Iowa and Nebraska, both of whom are ex-officio **insurance commissioners** of their respective States, were **re-elected** at the recent elections. They are John L. Bleakly in Iowa and Silas A. Barton in Nebraska.

The **Columbian National Life of Boston** has accepted the resignation of its vice president and director of agencies, Franklin W. Ganse, and has appointed him to his old position of general agent, this being his preference.

The **newly elected State Auditor of Indiana**, who is also Insurance Commissioner, is William H. O'Brian, a banker of Lawrenceburg and a capable, conservative man. It is understood he will appoint a new staff throughout.

Several arrests have resulted from the campaign recently instituted by Insurance Commissioner McMaster of South Carolina against hotel keepers who have failed to observe the law with regard to **fire escapes on** their **hotels.**

It is said that the Georgia Fire of Cedartown, Ga., is offering **a premium** to agents **on preferred business** during the balance of the year, and that beginning with Jannary 1 it will pay 20 per cent. flat commission.

The Chicago city council has adopted an ordinance forbiding the maintenance of **cleaning and dyeing establishments** in buildings in which people reside, or in other than fireproof commercial structures.

The Security Life of America has established **a Christmas contest**, offering cash bonuses for all paid-for business pro-

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duced before December 17, the money to reach the agents before Christmas.

"Oh, dear!" said Lord Lytton, **"why do we grow old?** It would be so much nicer to grow younger, and die at last in the arms of a wet nurse on the bosom of innocence."—*Business, London.*

A farewell dinner was given to **S. Bradish, Chicago cashier** for the Mutual Life of New York, who has been appointed Nova Scotia manager for the company, with headquarters at Halifax.

The city of **Syracuse,** N. Y., is compiling a **new building code.** Professor I. H. Woolson, of New York, is representing the National Board of Fire Underwriters in the conferences.

The **Southern States Life** of Atlanta, Ga., reports that for the first twenty days of November the issued business was 30 per cent. greater than for the entire month of November, 1909.

The central department in Chicago of the **New York Life** has completed its allotment of $18,650,000 of paid-for business in 1910 over six weeks before the end of the year.

The new **foreign fire manager of the North British and Mercantile** of London is Lauchlan Sinclair, formerly fire manager. He will have charge of United States business.

The **Sovereign Fire of Canada** and the **Marine insurance company of London** were admitted to New York State this week by Insurance Superintendent Hotchkiss.

The **tax** on fire insurance companies **in the levee district of Mississippi** has been raised from $100 to $150 by a recent revision of privilege laws in that State.

Fire insurance agents in the Northwest are planning to organize what shall be known as the **Northwestern Association of Local Fire Insurance Agents.**

The practice of a local agent at Atchison, Kan., of **giving trading stamps** with insurance policies has been declared a violation of the anti-rebate laws.

The **Maryland Life** has elected William S. Blackford, a son of the late President William H. Blackford, to be second vice president of the company.

The **American Life of Chicago,** with $100,000 capital, has been licensed to take over the business of an assessment concern of the same name.

Louisville is the last of the excepted cities to adopt the **analytic system of rating.** The step was taken in the interest of uniformity.

Dallas, Tex., is to have an **increased key rate** at the hands of the State Rating Board as a penalty for a lack of waterworks pressure.

In **Arkansas** the **fire waste** has been smaller this year than last, enabling the fire insurance companies to make a better showing.

The Kentucky Board of Fire Underwriters has raised the **tornado rate on tobacco barns** from 50 cents to $1 per $100.

The Kentucky Board of Fire Undrewriters has decided not to waive **the "riot clause"** in fire insurance policies.

The cases against the **Board of Fire Underwriters of Allegheny County, Pa.,** were postponed for a week.

The **National Life Association of Des Moines, Ia.,** has been licensed as an assessment company.

The **Sovereign Fire of Canada** has appointed Kelly & Fuller as metropolitan district managers.

The **North River Fire** has been admitted to Arkansas.

Maryland has admitted the **National Fire of Paris.**

Personal.

AGENCY APPOINTMENTS.

Home: H. Wallace Stevens, special agent to assist State Agent H. Fred Wise in Illinois.

Philadelpria Underwriters: J. T. Robertson, special agent for Maryland, Virginia and the District of Columbia.

Mr. Charles S. Conklin has been appointed superintendent of the agency department for Edward E. Hall & Co., in the palace of C. B. G. Gaillard, resigned. He assumes his new duties on December 1 in conjunction with his present duties as secretary of the Assurance Company of America.

Mr. George T. Wilson, second vice president of the Equitable Life, will visit several of the agencies, beginning at Little Rock, Ark., December 5; Louisville, December 7, and St. Louis, December 8. President Morton will be in Louisville, and the two will go together to St. Louis.

Mr. Thad C. Bell, who has been supervisor at New Orleans for the New York Life, has been appointed inspector of agencies for the company's Southern department, effective December 1.

Mr. James McAvoy, formerly secretary of the International Life of St. Louis, has been appointed actuary and assistant secretary of the Central States Life of St. Louis.

Mr. G. A. Van Der Sluis, one of the organizers of the proposed Inland Life of St. Louis, has been appointed actuary for the Midland Life of St. Paul.

Dr. William Bross, medical director of the Equitable Life since the death of Dr. Lambert, died at Babylon, N. Y., on Monday, from apoplexy.

Mr. Milton R. Randall, formerly a prominent insurance man at New Orleans, died at Houma, La., November 13, aged sixty-nine years.

Mr. Rudolph Wattenscheidt, a prominent Baltimore fire underwriter, died November 8, after two months' illness.

Mr. John S. Huyler, the candy manufacturer, who died recently, carried life insurance amounting to $90,000.

Casualty and Surety Insurance.

The list of amounts in which bonding companies will be accepted as **surety on Federal bonds** as revised according to November 15 has just been issued from the Treasury Department at Washington. The amounts are as follows: Pacific Coast Casualty, $61,881.13; Pacific Surety, $40,203.44; Ætna Indemnity, $38,970.51; Illinois Surety, $32,298.93; Federal Union Surety, Indiana, $35,022.55; American Bonding, $142,389.43; Fidelity and Deposit, $409,672.19; Maryland Casualty, $197,643.69; United States' Fidelity and Guaranty, $273,211.05; United Surety, $30,000; Massachusetts Bonding, $71,613.93; Globe Surety, $54,107.65; International Fidelity, $42,695.08; American Surety, $605,853.30; Empire State Surety, $60,441.45; Fidelity and Casualty, $302,564.80; National Surety, $176,455.03; People's Surety, $38,936.64; United States Guarantee, $62,574.59; Bankers Surety of Cleveland, $54,025.59; Southwestern Surety, Denison, Tex., $66,254.76; Southern Surety, Muskogee, Mich., $42,345.90; Pennsylvania Surety of Harrisburg, $47,630.11; Title Guaranty and Surety, Scranton, $110,496.95; American Fi-

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delity, $67,634.85; Citizens Trust and Guaranty of Parkersburg, Ohio, $53,034.46. The Guarantee Company of North America of Montreal, Canada, is designated as a reinsuring company with limit of $50,000.

The following **table of experience** with 100,000 accident claims paid by the Ætna Life is worthy of a careful reading, as it tells a most interesting story:

CLASSIFICATION	NUMBER		AMOUNT PAID	
Travel Accidents				
Railroad	24,936		$1,962,022.84	
Street car	4,356		384,988.84	
Steamboat and steamship	484		85,233.86	
		29,276		$2,432,245.60
Falls on pavement	8,222		529,876.43	
On stairs or steps	3,101		235,569.99	
From ladders or chairs	1,946		143,432.86	
Through trap doors	729		62,561.20	
Miscellaneous falls	4,369		302,119.25	
		18,367		$1,273,559.73
Carriage and wagon accidents	5,024		462,386.54	
Horse kicks or bites	1,520		79,281.81	
Horseback riding accidents	1,220		141,211.91	
Horse stepped on foot	371		15,217.46	
		8,135		$698,097.72
Cut with edge tools or glass		4,678	.....	128,471.53
Fingers crushed in various ways		4,217	.....	111,245.91
Burns or scalds		2,969	.....	224,462.67
Athletic sports, accidents		2,877	.....	140,596.03
Falling of heavy articles		2,781	.....	136,399.74
Bicycle accidents		2,771	.....	189,525.10
Accidents while lifting heavy articles		2,417	.....	87,522.51
Eye injuries		2,083	.....	93,743.02
Septic wounds (blood poisoning)		1,895	.....	155,092.77
Automobile accidents		1,620	.....	313,000.11
Cuts or bruises from machinery		1,555	.....	64,186.27
Feet injured by stepping on nails or glass		1,500	.....	40,887.83
Toes crushed in various ways		1,419	.....	44,045.53
Hands lacerated on hooks, nails or wire		1,238	.....	34,047.81
Slips on rolling stones		903	.....	45,177.37
Bites by dogs or insects		716	.....	29,709.64
Bathing or drowning accidents		681	.....	268,568.46
Gunshot wounds		579	.....	357,461.30
Splinters in hands or feet		483	.....	13,492.16
Assaults		394	.....	47,842.19
House accidents (in contact with furniture)		385	.....	40,054.74
Elevator accidents		291	.....	83,990.65
Tripped over door mats or rugs		209	.....	17,372.89
Fingers caught in electric fans		131	.....	6,417.39
Motorboat accidents		96	.....	7,622.83
Miscellaneous accidents		4,884	.....	370,728.77
	Totals,	100,000		$7,455,568.27

After a conference the insurance departments of New York and Massachusetts have decided to make no change in the requirements from **health and casualty insurance** companies regarding renewals of policies issued prior to January 1, 1911. A statement by the New York Superintendent says:

At a conference today between Superintendent Hotchkiss of New York and Commissioner Hardison of Massachusetts, several questions came up for consideration and decision relative to the laws of both States, which go into effect January 1 next, whose purpose is to regulate the issuing of accident and health insurance contracts. In respect to the renewal of policies issued before that date, and which have no provision giving the insured the right to renew by the payment of successive premiums, it was decided that, although it is a close question whether or not these so called renewals are not technically new contracts, calling for the use of new policies as prescribed by law, yet, in view of the practical difficulties in the way and the loss which might result to policyholders, the benefit of the doubt should be given to the present method of renewals, and any further question which might arise thereunder be left to the courts or to further legislation. There will be, accordingly, no interference by these departments with the renewal of contracts now in force by renewal certificates, if that method is acceptable to the companies and their policyholders. However, the departments urge that policies issued under the new law have a renewal provision, so that, in respect to such policies, no question can arise as to whether or not a renewal certificate is legal.

The **American Museum of Safety and Sanitation** opened its permanent exposition of safety devices at the Engineering Building in West Thirty-ninth street, New York, on November 21. For having done most during the past year to conserve human life and prevent accidents a gold medal was presented at the opening meeting to the United States Steel Corporation by Sylvester C. Dunham on behalf of the Travelers insurance company, of which Mr. Dunham is president. Mr. Edson S. Lott spoke in behalf of the casualty companies, saying that the companies are vitally interested in whatever will assist in the prevention of accidents to workmen. The *Scientific American* offers a medal for the best safety device exhibited during the coming year. William H. Tolman is director of the museum and its officers are: Philip T. Dodge, president; Charles Kirchhoff, vice president; T. Commerford Martin, Frederick R. Hutton and Dr. N. E. Ditman, chairmen of the committees; William J. Moran, counsel.

A case which has been watched closely by surety underwriters during its progress through the courts has been the suit of the **United States Fidelity and Guaranty Company** against the National Surety Company, recently terminating in a victory for the former in the Baltimore City Superior Court. The case involved a contract of indemnity made by the National Surety in favor of the plaintiff for $25,000 in 1898, covering a West Philadelphia construction work. Some of its provisions were modified later by the Philadelphia general agent of the National Surety, and the binding effect of this action was one of the questions at issue. Upon default of the contractors the National Surety denied liability. The verdict just rendered is for $38,375. The effect of the decision on surety business will be important.

At a meeting of the stockholders of the **National Surety Company** Darwin P. Kingsley, president of the New York Life insurance company, was elected a member of the board of directors. At a subsequent meeting of the directors the stock dividend of 33⅓ per cent. to present shareholders, as provided for at the stockholders' meeting, was formally declared, payable to holders of record of November 30. In addition thereto the directors declared the usual quarterly dividend of 2 per cent., payable January 3 to holders of record of November 29. It was also announced that the 5,000 shares of new stock authorized at the shareholders' meeting of November 9, which is to be sold at 150 per cent. or better, has been oversubscribed four times the amount to be allotted.

The active participation of the **New Jersey Fidelity and Plate Glass insurance company** of Newark, N. J., in the business of accident and health insurance is delayed by the difficulty of drafting a policy form which is acceptable in all States in which the company wishes to operate. The lack of uniformity among the States has proved very annoying to the company. In a short time, however, it is expected the forms will be ready for issuance. To judge from the calls for sample policies following the brief announcements which have appeared so far the company seems destined to enter quickly into a large business in the new line.

The **United States Fidelity and Guaranty** is resisting the claim of the First National Bank of Baton Rouge, La., on the grounds that the bond covered none of the acts alleged against Oscar Kondert, a defaulting employee of the bank. The bonding company claims that the bank officials certified to examinations of the books which were not made.

An indictment has been reported against **Edward Rosenheimer** for violation of the Callan automobile law, which

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requires that auto drivers shall report their name and number after an accident. Rosenheimer was recently tried for having caused the death of Grace Hough, and was acquitted of the charge against him.

The **Empire State Surety** will make no appointment to succeed Gilbert Congdon as secretary until the February meeting of the directors. Meantime Vice President Daniel Stewart, who was formely secretary, is doing the work. Mr. Stewart has just returned from a trip to Western points on company business.

A rumor that **liability commissions** to brokers were to be reduced in this city is said to be incorrect. The combination of liability and compensation lines in the same policy will produce the same amount of brokerage as at present, although the percentage figures to be used are different.

The Travelers **promoted three young men** at its home office last week by appointing L. Edmund Zacher assistant treasurer of the company, John Edgar Ahern assistant secretary of the accident department, and John Robert Sullivan assistant secretary of the liability department.

The **Maryland Casualty** has appointed F. Leroy Templeman to be manager of the accident and health department to succeed the late Duncan H. Scott. J. D. Cronwiller and Garrett Stevens will have charge of claim examining, formerly Mr. Templeman's work.

Because he was not in accord with the management of the company Gilbert Congdon, who last week resigned as secretary of the **Empire State Surety**, has also resigned as superintendent of agencies.

The current issue of **Assurance** is a handsome one, devoted exclusively to an illustrated report of the proceedings of the annual convention of the International Association of Accident Underwriters.

The **Globe Surety of Kansas City** has been licensed to do business with the Federal Government. On examination the paid-up capital stock was found to be $500,000, with surplus of $41,000.

Representatives of **accident and health mutuals** will hold a meeting in Indianapolis on December 6 for the purpose of forming a permanent organization to meet annually.

The **Pennsylvania Casualty** announces the discontinuance of its ordinary health policy on January 1, and also an increase in rates for insurance of plate glass.

The **strike of glaziers** in New York city continues, making plate glass replacements extremely hazardous, and in some cases almost impossible.

Insurance against damage to the **glass in automobile windshields** is now obtainable.

The timber bond controversy in the **Surety Association of America** is still unsettled.

Surety business is reported quiet at present.

Insurance Legislation.

Missouri.

Among the insurance bills to be presented at the coming session of the Legislature in Missouri are a workmen's compensation bill, a bill making suicide a bar to the collection of a claim for accident insurance, a State rating bill, an anti-rebating measure which covers fire as well as life insurance, a measure making the cost of a surety bond taxable as court costs, one to regulate the organization of new insurance companies and another regulating fraternal orders.

New Jersey.

A committee of seven of the New Jersey Federation of Labor has been appointed to draft an employers' liability and workmen's compensation law for that State.

Oregon.

State Insurance Commissioner Kozer will recommend that bills be introduced at the coming session of the State Legislature for the purpose of effecting the following needed reforms: The appointment of a code revision commission to draft a new insurance code; provision for uniform accident and health policy forms and standard life policy forms; adoption of the fraternal law indorsed at the recent meeting of the National Convention of Insurance Commissioners; regulation of operations of inter-insurance concerns; regulation of mutual fire insurance associations, and regulation of the organization and promotion of new insurance companies.

Vermont.

The bill introduced by Mr. Roy in the House, and previously mentioned, to regulate fire insurance policies, provides that the form of policy now in force in the State shall be continued until the Insurance Commissioner shall change it. He is authorized to change the form from time to time as he may think the public good requires. Among the provisions made in the bill is one for a valued policy.

Mr. Babbitt has introduced a valued policy bill in the House.

Miscellany.

An Appeal to Agents of the Equitable Life to Keep the Business in Force.

President Paul Morton, of the Equitable Life Assurance Society, has addressed the following communication to the agents of the Society:

The Equitable Life Assurance Society of the United States has nothing to do with politics, but it has a great deal to do with conservation. The conservation of the country's natural resources deserves the consideration of all thoughtful men, but the conservation in which we are interested is the conservation of insurance.

The Equitable was the first company to show the public that a life insurance policy could be paid as promptly as a bank draft; it was the first company to make the insurance-contract incontestable after one year; it formulated the system of investing the assets in the localities contributing them; it has always been recognized as a pioneer in reforms for the benefit of policyholders, and I should like to see it take the lead in adopting the most efficient measures for the conservation of insurance.

May I count upon the united co-operation of all the Society's representatives in the field in the prosecution of this good work?

The American people have shown a greater appreciation of life insurance than any other nation. But, although they have insured more readily, they have been less steadfast than the people of other nations, and the result has been the surrender of many

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policies for trivial reasons, or without reason. This has resulted in much waste, and has done serious injury to the steadfast policyholders who have remained, as well as to those who have retired.

The Equitable has done, and is doing, much to minimize this evil, but much more may be attained by concerted action.

If all our general and local agents will unite in a campaign of education, and in an earnest endeavor to keep outstanding insurance on the books, they will render an important public service, and will gain an enormous personal advantage. For the permanently successful agency is the one which is supported by a loyal army of policyholders; and any agent is shortsighted who concludes that his time is wasted if spent in persuading members of the society to keep their policies in force. It makes no difference whether these policyholders are clients of the particular agent or not. The man who has been insured by some other agent and then surrenders his policy can do you as much harm as a deserter from your own ranks. In the army the most severe punishments are for desertion. This is not simply because the services of the deserter are lost, but because his example has a demoralizing influence on those who remain, and because he sows dissension wherever he goes.

No agent can hope for permanent success unless he secures public confidence in the community in which he is working, and every deserting policyholder in that community will exert an influence which will tend to retard the growth of public confidence.

The very act of surrendering a policy prematurely suggests the inference that the policyholder is dissatisfied. The maintenance of a policy, on the other hand, indicates satisfaction.

Surrendered policies influence no new insurance, while a matured endowment, or a death claim paid, is utilized by every competent agent in extending his business.

But this subject is too broad for exhaustive consideration at this time. If the agents of the Society will respond to this appeal I shall go more into detail in subsequent communications. All I ask for the present is that our local agents shall communicate with our general agents, and our general agents shall report to me whether they will join in a concerted movement for the conservation of insurance.

Hoping confidently to receive, either directly or indirectly, from every representative in the field, a quick and favorable response to this appeal, I remain, as always, faithfully yours,

PAUL MORTON, President.

The Legislative Investigating Committee Begins an Investigation of Fire Insurance.

Because the New York Legislative Investigating Committee was halted in its inquiry into the alleged bribery of members of the Legislature by the turfmen, on account of its inability to secure the testimony of Harry Payne Whitney, James R. Keene and others at the present time, it suddenly decided on Tuesday to take up the fire insurance matter and continue it on the following day, then adjourning over Thanksgiving the "graft" investigation to Tuesday, November 29, providing the desired witnesses are caught by that time.

M. Linn Bruce, counsel for the committee, said that in order that the insurance inquiry might be a comprehensive one it would be taken up first in an elementary way from its economic side.

Daniel F. Gordon, chief examiner of fire insurance companies in the State Insurance Department; Prof. Albert W. Whitney, who is the actuarial adviser of the committee, and George W. Babb, of the National Board of Fire Underwriters, were the witnesses examined. The great bulk of their testimony was read from printed or typewritten reports of the State insurance departments and the fire underwriters' boards and committees.

Mr. Gordon was questioned about the status of the New York Fire Insurance Exchange, which he described as a self-constituted body fixing rates and issuing licenses to brokers. Being questioned by counsel whether the Exchange had the legal right to issue licenses, Mr. Gordon replied that it had not. He said that about 35 per cent. of the total number of fire insurance brokers in New York city held licenses from the Exchange, and that brokers not licensed by that body were not able to do the business that the licensed brokers could.

Some large corporations, carrying heavy insurance, Mr. Gordon said, employed brokers on a salary to look after their insurance, and this, he thought, might result in such corporations getting what would be in effect a preferential rate. He pointed out that under the present insurance laws the State had no power to fix or even supervise the rates that may be charged for fire insurance, and that the scheme of manufacturers banding together for mutual fire protection was against the law of this State, though permitted in Massachusetts, Connecticut, New Hampshire and Rhode Island.

Regarding London Lloyds companies doing business in the State, Mr. Gordon said that it was reported that they were doing so, but it was in violation of law, as the concerns were not licensed.

Professor Whitney on examination read a mass of statistics on the earnings and disbursements of fire insurance companies, from which he reckoned that the average commission of agents on new business amounted to about 21 per cent. of the premiums.

The examination of Mr. Babb had reference largely to the activities of the National Board of Fire Underwriters, which he said formerly fixed rates throughout the country, but whose work now is wholly "educational and of a public service nature."

About one-half of the stock fire insurance companies in the United States hold membership in the board, he said, and mutual companies were not wanted because they were aimed not at profit, but simply at protection. Building construction throughout the United States is gradually improving, from the viewpoint of fire protection, he said, but European countries as a whole are still far ahead of America in that respect. The fire loss in the United States averages about $173,000,000 a year, or $2.47 per capita, as against 33 cents per capita in Europe, and in this country out of every two buildings erected approximately one is destroyed by fire.

Mr. Babb added that poor construction, poor material and carelessness generally in the handling of inflammable materials were the chief contributors to this American fire loss, though the fact that forests were still thick in sections was an added cause which could not be remedied so easily or quickly as would be possible with the first complaints.

At Thursday's session there were two witnesses, Mr. Babb, of the Northern Assurance Company, and Mr. Bament, adjuster for the Home insurance company of New York. The principal fact which the examiner wanted to ascertain from Mr. Babb was who the rate maker for this city is, and he learned that it is not the National Board, neither is it the New York Board, but it is the New York Fire Insurance Exchange.

Mr. Bament explained for the edification of counsel and committee the nature of the coinsurance clause and how it works. He also showed up the bad character of valued policy laws, and discoursed on the subject of the public adjuster of losses.

"The growth of the number and influence of the public adjusters is a result of an erroneous idea on the part of the public that the policyholder cannot cope with the adjusters of the company," said Mr. Bament. He added that on the East Side, where there are many fires, the public adjusters get 10 per cent. on the amount that is collected from the companies.

Mr. Bament said that the public adjuster often stated the loss of property by fire to be three times the actual damage, and being asked by counsel if he got what he asked for Mr. Bament answered: "He gets only what the actual loss amounts to."

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The Insurance Institute of America—Course of Study and Examinations for 1911.

The Insurance Institute of America, of which Albert R. Hosford, Esq., assistant manager Royal Insurance company, Ltd., is chairman, and D. N. Handy, of the Insurance Library Association, librarian, and which is composed of the Fire Insurance Club of Chicago, Fire Insurance Society of Philadelphia, Fire Underwriters' Association of the Pacific, Insurance Institute of Hartford, and Insurance Society of New York, makes the following announcement for 1911:

The above institute, organized at Philadelphia in 1909, and which held its second conference in 1910, is putting forth as one result of its deliberations a system of study and examinations.

Insurance in all its branches has developed to such an extent that there is today considerable insurance literature, text books and reference books. More and more is the practical insurance man realizing that he must rely on insurance literature and use it as a necessary part of his day's work.

The existence of insurance literature carries with it the opportunity for study. Insurance education has grown to such an extent that there are insurance courses in a number of universities and colleges, and the insurance societies all over the country are giving lectures and educational courses. Such facilities are available to many men who live in the large cities or principal centres, but they may not be available to the great number of men who are working in smaller towns, or who cannot take the regular courses.

It is to reach all that the Insurance Institute has prepared its study course. It is intended to give every ambitious man the opportunity to study at his own home the principles and practice of the branch of insurance in which he is engaged. It aims to help him acquire knowledge which he would otherwise have to acquire by the rule of thumb. It aims to help the man who is willing to study to do the work of his present position in a better manner, and to prepare himself for promotion to a better paying post. It will be helpful by suggesting to the young men engaged in insurance work what they ought to know if they are to attain a degree of efficiency which will make them useful and successful members of the business. We can readily appreciate what an advantage this would be to a person seeking employment in different parts of the country, or in the world for that matter, if he can show that he has passed these examinations and holds a certificate from the Institute.

The work of the Insurance Institute of America is patterned after the Insurance Institute of Great Britain and Ireland, which has been so successful that in ten years the number of candidates increased five times, and the number of papers submitted three times. If the educational work of the Institute abroad has proved so successful, then the work of the Insurance Institute of America bids fair to be equally successful.

The first work of the Insurance Institute of America will be the holding of a series of examinations during the year 1911. The details covering these examinations are set forth in the official circular issued by the committee in charge.

EXAMINATIONS IN 1911.

Entrance—All men interested in insurance are invited to take the examinations. There is no age limit. Membership in an insurance society is not necessary, though desirable on account of the use of the library.

Enrollment—Registration blanks will be sent on application, and the same must be filled out and returned, together with the stipulated fee, not later than January 15, 1910.

Fees—The registration fee is $2 for each year that examinations are taken. No fee is returned. In case the student cannot take the examination the amount will be placed to his credit for further examination in any year that he may choose to take it.

Certificate—A certificate stating the branch, the subjects and the mark will be issued, and the names of the successful candidates will be published in the annual report of the conference and sent to the insurance press.

Date—The examinations will be held in June, 1911, and in the evening. Students will be advised of the exact date, time and subject at least two weeks before.

Place—Arrangements will be made for the holding of examination in Boston, Chicago, Philadelphia, New York city, Hartford and San Francisco. At each of these points there is an insurance organization who will have matters in charge. Examinations will also be held at Atlanta, Indianapolis, Denver, New Orleans and Cincinnati, providing a sufficient number of students enroll.

Subjects—The student must take examinations in not less than three subjects, specifying his choice of subjects at the time of filling out the registration blank.

Marks—The marks of a student's work will be under one of two headings—"Pass" or "Honor."

Examinations Limited—As a general rule no student will be permitted to take examinations in more than one branch in the same year.

FIRE INSURANCE.

PART I.—SURVEYING AND INSPECTING.

A. Building Construction, including heating and lighting—The student should have a general knowledge of building terms; a knowledge of the construction of frame, ordinary, mill constructed and fireproof buildings, carefully covering in addition to other things, walls, roofs, floors, chimneys, heating and lighting systems.

Books of Reference: Building Construction and Superintendence—Kidder. John Wiley & Sons, New York. Masonry Construction. Treatise on—Baker. Wm. T. Comstock Company, New York. Building Construction for Beginners—Riley. Macmillan, New York. Model Building Code—National Board of Fire Underwriters, 135 William street, New York.

B. Hazards—Hotel and Lodging Houses. Printing and Allied Industries. Storage Warehouses. Cotton Mills.

In connection with this topic the student will be expected to describe the general hazards in two of the group, one, either hotels and lodging houses or warehouses, the other, either cotton mills or printing and allied industries.

Books of Reference—Special Hazards, Lectures delivered before Fire Insurance Club of Chicago, Rough Notes Publishing Company, Indianapolis, Ind.; Live Articles on Special Hazards, WEEKLY UNDERWRITER, New York.

C. Draughting to Scale. Books of Reference: Primer of Architectural Drawing—Dana, William T. Comstock Company, New York; Practical Draughting Work—Hasluck, Cassell & Co., New York.

PART II.

A. Correspondence—In addition to the ability to write a well-phrased and tactful letter, the student will be expected to show such a knowledge of the general practice of fire insurance as would enable him to deal with everyday occurrences.

B. Standard Policy of New York State—The student should familiarize himself with the conditions in regard to policies previous to the adoption of the standard policy in Massachusetts in 1873, in New York in 1886.

Books of Reference: Richards on Insurance, Banks Publishing Company; Standard Policy—Deitch, Rough Notes Publishin Company, Indianapolis, Ind.; Standard Policy—Darrach, Johnston & Co., Philadelphia, Pa.; Standard Policy Index—Affeld, 141 Broadway, New York city; Yale Readings in Insurance, Yale Publishing Company, New York; Insurance Adjustment—Hall, Rough Notes Publishing Company, Indianapolis, Ind.

CASUALTY INSURANCE.

PART I—EMPLOYERS' LIABILITY INSURANCE.

A. The Beginnings of Industrial Development. Richard T. Ely, "Studies in the Evolution of Industrial Society" (1903), chapter 3, pages 25-73.

B. Further Development in England and in the United States. Frank L. McVey, "Modern Industrialism," 1904.

C. Early English Law of Master and Servant. William Blackstone, "Commentaries" (1765), Book I, chapter 14.

D. The Fellow Servant Rule and the American Law of Master and Servant Prior to the Employers' Liability Acts. James H. Deering, "Law of Negligence" (1886), chapter 24, pages 310-360. Priestly vs. Fowler (England, 1837), 3 M. & W. I.; Barstonhill Coal Co. vs. Reid (3 Macq. House of Lords Cases, 266); Farwell vs. Boston & Worcester Railroads Co. (Mass., 1842), 4 Metcalf, 49; Murray vs. South Carolina R. R. Co. (So. Car., 1837), McMullen Law, 385. Clark, Lindley D., Employers' Liability in the United States. Bulletin of United States Bureau of Labor, January, 1908, pages 1-120. Kent, James, Commentaries on American Law. (14th ed., edited by O. W. Holmes and J. W. Gould, 1896.) Part IV., lecture 32, pages 248-260. Sherman and Redfield on Negligence. 5th ed., Vol. I, chapter 10, pages 262-462. Labatt on Master and Servant, chapter 36, pages 1303-1348.

E. The Present Common Law System of Employers' Liability. Report of Commission to New York Legislature, 1910, pages 11-13. Charles R. Henderson, "Industrial Insurance in the United States" (1909), chapter 5, pages 128-148. Crystal Eastman, "Work Accidents and the Law" (1910), chapters 12 and 13, pages 169-206.

F. The English Employers' Liability Act of 1880. Launcelot

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Packer, in Bulletin of United States Bureau of Labor, May, 1907, pages 579-652.

G. Employers' Liability Acts in the United States. Conrad Reno, "Employers' Liability Acts."

H. Workmen's Compensation Acts in New York State. Laws of New York, 1910, chapter 352, section 3, and chapter 674.

PART II—ACCIDENT AND HEALTH INSURANCE.

Books of Reference—History of. Yale Readings in Insurance, Dunham. Policy Contract Forms, Faxon; Vol. I, Proceedings, Insurance Institute, Hartford. Classifications and Ratings, Parker; Vol. II, No. 1, Proceedings, Insurance Institute, Hartford. Underwriting, Ahern; Vol. II, No. 2, Proceedings, Insurance Institute, Hartford. Adjusting, Eaton; Vol. II, No. 2, Proceedings, Insurance Institute, Hartford. Preservation of Public Health, Messenger. Work Accidents and the Law, Eastman. Workingmen's Insurance in Europe, Dawson & Frenkel. Insurance; papers read at Wharton School of Finance, Philadelphia, Pa.

PART III—CORRESPONDENCE.

In addition to the ability to write a well phrased and tactful letter, the student will be expected to show such a knowledge of the general practice of insurance as would enable him to deal with everyday occurrences.

GENERAL REMARKS.

Preparatory.—The question will naturally arise as to the requirements of general education previous to the taking of the examination. It will be assumed that the student has a general knowledge of chemistry and electricity; is familiar with ordinary bookkeeping, with mathematics, including arithmetic, algebra and geometry, and commercial geography. It is not the intention to hold examinations in these subjects, but, governed by the character of the papers submitted, the committee may ask the second or third year or before the final certificate is given for certificates as to ability in these topics.

Books of Reference—The student will understand that the books of reference are listed for his convenience, but it is not necessary that the information should be obtained from the works noted. If it can be secured from any other source, that is optional with the student.

Life and Marine—No examinations are offered for the present year in life and marine. These will be offered next year in addition to fire and casualty.

Instruction—The Institute will offer no instruction, but it is expected that the various insurance societies will open courses for those students who desire to take the examination. If any are interested in taking the course by correspondence the chairman will be pleased to answer all communications relative thereto.

Communications—Address all communications of a general nature, and those dealing especially with fire, to the chairman. Address all communicatioos dealing especially with casualty to Mr. Denniston.

The committee in charge are: E. R. Hardy, chairman, New York Fire Insurance Exchange; L. N. Denniston, Travelers insurance company, Hartford; L. A. Tanner, Home insurance company, Chicago.

The general address is Room No. 605, 84 William street, New York city.

Fire Insurance Classification Tables Not Feasible for Rate Making—Views of the Hartford Fire Insurance Company.

The Hartford Fire insurance company has sent its agents an expression of its views on the subject of classification tables, which with most successful companies are of value as guides to knowledge of whether the average quality of their business is being satisfactorily maintained or not and what lines may be properly and safely assumed. But for determining the rates that may be charged on individual risks they are of little help. The reasons for that opinion are given as follows:

From time to time it is suggested that the proper way to determine fire insurance rates for all risks is to fix premium charges by results of the classification table. Even a prominent insurance commissioner has recently remarked that it may be desirable to require from companies "a uniform classification, figured so that the experience of each company on results of each classification can be readily determined. * * Reference to the classification would determine the justness of the rate charged."

This method of settling a vexed question seems plain and easy —and it is a reflection on generations of fire insurance men that they have overlooked so simple a solution—provided the whole conception be not a fallacy. But unfortunately for fire underwriters, classification tables, as formulæ for the making of rates, are wholly inadequate and unreliable. To an experienced insurance man the results of classification have some general and indeterminate suggestive value, but they afford absolutely no material for accurate deduction.

There is no similarity between fire insurance classification tables and the mortality tables of the life companies. In life insurance the individual insured is a standard man. He must inevitably die, and the company knows in advance just how much it must pay when he does. There are no partial losses in life insurance. The average expectancy of life is easily ascertained, and the life actuary has exact mathematical data on which to figure his rates. Not so with the fire insurance company. Few of its risks are "standard" or can be made so. Many of its insurants never suffer from fire, and, when a claim is made, it may be for the face of the policy or for an insignificantly small proportion of the amount insured. In fire insurance there is no fixed basis on which to found mathematical calculations of rates.

RISKS ARE COMPLEX AND SELDOM PRECISELY ALIKE.

As a single instance of complexity, we may take a three story brick building occupied on the ground floor as drug store, on the second floor as millinery shop, and on the third floor as printing office. Here, in one building, are presented the distinct hazards of three kinds of risks. To what class shall it be posted? Perhaps there is not another building in the same State occupied by exactly the same combination of hazards. A company writing the stock on the ground floor would classify its risk as a drug store. The company writing the property on the second floor would probably call it a millinery store. The company writing the property on the third floor would doubtless classify it as a printing office. Now a frame dwelling situated next door catches fire, and the fire spreading entirely destroys the three story brick building and contents. The loss did not arise from a cause inherent in any of the classes contained in the brick building. What good reason is there for saying that this occurrence has any relation to the discriminatory rates which should attach to other drug stores, millinery stocks and printing offices?

One fundamental difficulty about classification tables is the impossibility of arriving at such a division of classes as will produce results having scientific value. Every risk, naturally, has its own inherent hazard, and if each risk of a class were identical, both as to building and contents, and every one were situated detached, classification tables might be devised which would approximately show the fire hazard of individual classes. But with almost every risk there are circumstances which differ from those of other risks of the same class. Some buildings are of sole occupancy. Those variously occupied have combinations of hazard differing one from the other. The number of possible combinations is infinite. No class can be made up of risks identically the same, and yet if we pile into one class all risks of a general kind, irrespective of how they may be combined with others, or what peculiar conditions they may have surrounding them, we get results obviously valueless. On the other hand, if we seek to avoid this difficulty by multiplying classes and classifying together only risks closely approaching each other as to characteristics, we have such a variety of classes, and so we reduce the volume of each as to narrow the average and show abnormal results produced by transient or exceptional causes. We are between Scylla and Charybdis. As illustrating the

INFINITE COMBINATIONS

which exist in fire insurance risks we may instance stocks of merchandise alone, mentioning a few of the variations important to consider when fixing rates for insurance. Some stocks are in brick buildings and some in frame; some are in buildings with shingle roofs, others in buildings with tin roofs; some buildings have walls of certain thickness and capacity to withstand fire, others have thinner walls or thicker; some buildings are one story, some are twenty; some buildings have interior divisions in the shape of walls with openings protected, others have no interior divisions and have area varying from small to mammoth proportions; some risks are exposed by brick buildings and some by frame, some by business structures and some by manufacturing establishments; some stocks are more subject to damage than others, and some, in case of small fires, cause total loss to the companies because the amount of insurance carried is low. Coinsurance is obtainable in some places and prohibited by law in others. Some establishments are clean, some dirty; some successful, some failures. Every one of these features and many others are important to consider when making rates. They differentiate the risks presenting them, and thousands of combinations occur.

If rates were to be fixed by the results of classification, must not there logically be also thousands of classes to correspond with all these variations? And if so, we further must multiply

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the total several times over to provide for risks of these respective kinds when situated in towns with good fire departments, in towns with poor departments, and in towns with none at all. We speak here only of stocks of goods, but dwellings and each individual class of manufacturing risks must needs be divided in like manner.

Care, cleanliness, character and business methods are all entitled to consideration in the making of rates, but how can they be expressed in a classification table? Trapped elevators, iron shutters, watchmen and automatic alarms, everybody knows, have prevented loss, but nobody knows how much they have prevented, so nobody can say, except as a matter of judgment, how they should affect rates. The value of these uncertain quantities cannot be ascertained by means of classifications.

SMALL VALUE OF THE AVERAGE RATE.

If, for sake of argument, we concede the possibility of logically establishing a rate on any class by the results of its classification, what do we then have? A rate, it is true, but after all only an average rate. It is conceivable that it might not be the exact rate of any individual risk in the class. All will remember the patriotic citizen who claimed for his town the attractive average temperature of 60 degrees—made up, as was afterward ascertained, of 100 degrees in summer and 20 degrees below zero in winter. If we find that the average rate of a certain class is 1 per cent., shall we reduce to that figure all its inferior risks, now paying more, and increase the rate on its better built or carefully managed establishments for which we now charge less?

One cause of loss which upsets all attempts at scientific deduction from classification is exposure. The most frequent cause of fire in particular risks is its communication from another building, near or remote. This fact vitiates all classification undertaking to prove the relative fire hazard of different classes of risks by the amount of the loss which each presents.

But even if we had the science of classification reduced to a point where there was absolute connection between the dollars of loss shown in each class and the causes which produced such loss, we should still be without an effective guide for the future making of rates. We should have a history—that is all. Great changes are constantly occurring in methods of building, material for construction, in processes of manufacture, in growth of cities, height of buildings, and in the use of such agents as gasoline and electricity. The conditions which produced the classification figures of the last ten years have altered, and what results the change will inevitably bring there is none can tell. By the time the results of such changes could be crystallized into classification tables other changes would have occurred, again making our tables unreliable.

The Moral Hazard.

(Address by Samuel R. Weed, before the Insurance Society of New York.)

The opening lecture in the winter series arranged by the Insurance Society of New York was given in the board room of the headquarters of the New York Board of Fire Underwriters on Tuesday afternoon last. Mr. Weed hurried back from Connecticut after attending a funeral to keep his engagement with the society, and spoke to the largest audience the board room has ever held on a similar occasion.

Mr. Weed is well qualified by his long experience as a fire underwriter to discuss the moral hazard, and his treatise on this much feared factor of the business was listened to with much interest. After relating numerous notable instances in actual experience with the moral hazard, Mr. Weed said in part:

For many years it has been observed that the majority of proofs of loss received by the companies, certified by the adjuster, refer to the origin of fires as "unknown" or "cause not ascertained," or equivalent words expressing the negative suggestion. This fact has given rise to the suspicion that a large proportion of fires thus accredited are crooked. Of course, it is a hasty judgment in the absence of any evidence, but after due allowance is made for the manifest injustice of a sweeping charge against all the "unknown origin" cases it is probably true that a considerable percentage of these claims have a moral hazard basis which cannot be detected. Yet, to be fair in such wholesale judgment, it must be admitted that where fires are of mysterious origin, and the insured cannot honestly explain them, he takes refuge in the "unknown" class where so many have found lodgment, rest and oblivion. I am impressed with the conviction that non-ascertainable causes are diminishing. The committee on losses and adjustments of the New York Board of Fire Underwriters has insisted on a more vigorous effort being made to ascertain the causes of fires. In the printed bulletins which now accompany the service of loss proofs the result of this effort is shown in the increased explanations of the origin of fires. The adjuster, by a severe cross-examination of all parties concerned, now more frequently arrives at a suspicion or conclusion as to the origin than formerly when there was less effort to ascertain the facts. Still, it must be admitted that the record is blurred by repeated statements of "cause unknown," and it seems as if there are yet cases of moral hazard covered up under this term. The probability is that most culpable carelessness has led to fires without any dishonest intention on the part of the owner or his employees, and the owners are generally unwilling to put themselves on record by admission of any carelessness at all. Yet, from our standpoint, the carelessness was an important phase of moral hazard only slightly removed from premeditated design.

I presume you will be surprised when I assert that there is a new kind of moral hazard affecting the business of fire underwriting now in vogue which was quite unknown twenty-five years ago. I mean a sort of reverse action of the moral hazard principle succeeding a fire and quite apart from its origin. I believe the experience of the last twenty-five years has demonstrated that many an honest loss has been turned into a dishonest loss by the temptation, or whatever else you choose to call it, to indulge in crookedness directly aroused by the fire. Somehow the underwriters are often treated as easy marks who can be plundered by fraudulent claims and robbed of large sums by schemes to cover up the real loss with a layer of fraud which sometimes escapes detection. I believe that the discovery of such schemes is generally possible through patience and perseverance, as well as by skillful handling of the testimony. Some very remarkable evidence of this kind of moral hazard has been gathered by our loss committee, and the former manager, Mr. Robb, could, if he would, tell you of one very extraordinary case in the surrender of policies for a large amount upon a stock of plate glass in this city, without any payment at all, after a most elaborate scheme of fraud had been prepared but exposed by accident. One of the links in the chain was weak, and that broke down all the other links. I am obliged to withhold the particulars of this case, but I believe it was one where the rascality really *followed* the fire.

The temptation to swell loss claims frequently overtakes men who are esteemed honest and upright in all the walks of life. The peculiar view which some men hold regarding the value of their property after the damage often leads to downright perjury, a phase of moral hazard which is generally created, promoted, suggested and carried forward by the new profession known as the "public adjusters." I wish it were possible to take up the record of every loss handled by public adjusters in the last ten years. The revelations would, I am sure, astonish you. Bear in mind that a few of the public adjusters are esteemed trustworthy, provided their dealings are with honest and trustworthy claimants. A few of them are patronized by the most reputable claimants, but it is found that even the best of the public adjusters parade the names of these customers in circulars and advertisements much as servant girls and coachmen preserve letters of recommendation from former employers, but whether those who give such certificates and employ the services of public adjusters of the better class have entered into any arrangement to retain them for future losses is unknown. The other classes deserve all the harsh things that have been spoken or written concerning their methods. I verily believe that their participation in adjustments invariably increases the amount required to be paid by the companies. It is a part of their system to see to it that the loss is increased beyond the damage first estimated by the owner so as to cover their own fees, and sometimes to swell the sum which the owner would receive if settlement was made on his own figures at the start. Every company adjuster of wide experience will confirm this statement, and I therefore put down every case of this character as an example of moral hazard after a fire.

Not long ago a sensational magazine article appeared in which fire insurance methods were described as a "gouge." That article undoubtedly had its inspiration in the office of some public adjuster, which is proved by the advice given to the public in the last paragraph of the article, advising the public that companies can be forced to pay almost any claim and waive their right to resist attempts to defraud if a firm and judicious threat is made to sue in the courts for the full amount of the claim. It happens that this threat is one of the favorite resorts of certain public adjusters when a stout resistance to some outrageous demand is offered on behalf of the companies. This is the kind of stuff that is poured into the ears of claimants who make some pretence of being honest, and these threats are occasionally effective. I hold that all such methods are essentially dishonest, and, in fact, are a form of moral hazard after the fire. I am tempted to

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charge a large percentage of the moral hazard losses in this city to the public adjusters. * *

Now having, as it were, diagnosed the disease, what is the remedy? I know of no quack nostrum which can prevent or cure it, but, as Abraham Lincoln once said, when he was asked about how to end the Civil War, "we must keep pegging away." We have plenty of laws against grand larceny, but the crime continues with little or no diminution. We have ample laws against arson, and the companies offer large rewards for the arrest and conviction of incendiaries, but the crimes do not lessen materially. It appears that during the year ending December 31, 1909, there were forty-two arrests in New York city for arson, with eight cases carried over. Of these fifty cases only seven were found guilty, twenty-three were discharged by the magistrates, nine were acquitted on trial, and in two cases indictments were dismissed. In Brooklyn for the same period there were forty-four arrests and eleven pending cases at the end of the year. Out of these there were fourteen convictions and only seven discharges. The grand jury failed to indict in four cases, but at the end of the year there were twenty-five cases still pending. This is not a very encouraging outlook, so far as incendiarism is concerned, but the fact is that the public generally is indifferent to arson where the insurance companies are affected, and we often hear it said: "Why don't the companies catch the criminals and have them punished?" There appears to be a sort of antipathy to any serious attempt to stop the crime of arson by the public authorities. In the State of Louisiana it is said that incendiaries are never convicted, even where the proof is clear, and the reason is that in Louisiana there is a death penalty for the crime. In our own State, when incendiarism was rife a few years ago in the city of Rochester, there was a loud call for severer penalties upon guilty parties. The press and public authorities of Rochester joined in the demand, but it came about that that the proposition aroused a doubt as to whether the chances for conviction would not be less with a severer penalty than under the law as it now stands. After all, the real losers in the game were the underwriters. Such heresies are not uncommon, but I am in doubt whether mercy to a red handed incendiary is ever expedient or justifiable.

What, then, can be done? Or, in the language of the notorious Bill Tweed, when his system of looting the city treasury was exposed, "What are you going to do about it?" Tweed soon learned that something could be done about it, and it was forthwith done in a fashion that sent him to jail, and after his escape from that into exile. Eternal vigilance is the only effectual remedy for moral hazard. I imagine that many underwriters who have given serious thought to the subject believe that nothing can be done which will throttle it. It belongs to a class of crime which it seems impossible to exterminate. * * It is so costly and dangerous that we must not relax our efforts to kill it. To those who come after us we may advise them to continue these efforts, and to the scoundrels who threaten us with losses we may advise them not to try it.

At the conclusion of the lecture a vote of thanks was given Mr. Weed.

Fire Insurance as Collateral.

(Fireman's Fund Record.)

The importance of fire insurance as collateral security can be understood when we are told that 97 per cent. of the commerce of the world is carried on by paper exchange, and 3 per cent. of it for cash.

Fire insurance is the support of commerce, the endorser, the collateral security for the protection of credit.

A cargo of Pacific Coast salmon, wheat, fruit, wine or other products, shipped to Europe is balanced by a cargo of manufactured articles shipped from Europe to China or Japan, and the latter shipment is balanced by tea and silk shipped from China or Japan to San Francisco, Los Angeles, Portland or Seattle; the Coast products being thus paid for by the tea and silk. This is credit, no cash being used, but the credit being guaranteed by fire and marine insurance policies, makes the transaction cash, as a loss of either cargo would be made good by the insurance.

Fire insurance as a collateral is the basis for credit. It enables the wholesale merchant to extend credit to the reliable trader, to the extent of five times the trader's capital, at the same prices as for cash in sixty days; for if the trader sells the goods, he will pay his bills, and if his goods are destroyed or lost, his insurance collateral will pay his debts. In either case he is practically a cash man, gets his goods at cash price, and can sell to the consumer at less than if he bought at credit prices without collateral. The reduced prices at which the trader gets his goods (the sellers taking no risk) also pays for his insurance over and over again. Furthermore, as the fire insurance policy covers all stock that goes into the store during the term of the policy, $5,000 insurance on a $7,000 stock may in the course of a year have under its protection $30,000 or $40,000 worth of merchandise, thus reducing the cost of his insurance by distributing its protection over large values.

Fire insurance as collateral security also reduces interest rates and increases the purchasing power of capital.

The owner of a lot who wants to build a home can hire a greater sum of money from the bank on the property and at a lower rate of interest, when his mortgage debt is secured by insurance on the building, than he could without insurance. A warehouse receipt for wheat, fruit, wine or other produce, backed by an insurance policy, will, as collateral command money at a much less rate, including the premium paid, than a mortgage on real estate will, in the same locality.

A buyer with a capital of $20,000 invested in wheat or other produce in a warehouse can insure that produce for 95 per cent. of its value; then, with the warehouse receipt, and the insurance policy as collateral, he can get $19,000 from the bank, and with this $19,000 go into the market, invest that sum in more produce, and, repeating the operation, compete in the market for $150,000 or $200,000 worth of produce on an original capital of $20,000.

The exporter who places a cargo of wheat, fruit, wine or salmon on a ship, insures it under a marine policy, with which and the bill of lading he commands money immediately, at the European rate of interest, to buy another cargo; and by repeating the operation not only increases the purchasing power of his capital, but he has the advantage of cheap money to operate on. This enables the producer to get a better price than if he had to depend on the competition of local capital, and emphasizes the benefit of insurance as collateral.

Fire insurance as collateral also protects invested capital from unnecessary disturbance.

Millionaire capitalists who manage large mining, manufacturing or other enterprises in which stockholders are interested, seek the protection of fire insurance for collateral security, as it enables them to obtain cash for immediate repair of any fire damage to the property, without using funds that can be applied to better advantage by continuing uninterrupted dividends to interested people, many of whom need the money.

This idea of protecting investments by the man of millions should be applied by the man of hundreds.

The rebuilding of San Francisco following the earthquake and fire is the best evidence of the value of fire insurance as collateral security for investments and loans that the business world ever experienced. Without the $180,000,000 paid by the fire insurance companies as indorsers (under their policies) and the credit obtained for as many more millions based upon the collateral security of their policies, San Francisco, instead of now being a city of skyscrapers, would be a city of shanties and ash-heaps.

It is asserted by economists who have studied the value of insurance as collateral security that the saving in interest rates to the borrower, and on the cost of goods to the consumer, amounts to a much greater sum than the total premiums paid by the insured, and that the loss collected is all clear profit.

Program of the Annual Meeting of the Association of Life Insurance Presidents, December 9-10.

That the question of getting the right kind of men as recruits for the army of life insurance agents is a practical problem of much moment to company executives is indicated by the prominence being given to the subject in the program of the fourth annual meeting of the Association of Life Insurance Presidents, to be held at Chicago on Friday and Saturday, December 9 and 10. In a letter now being sent to invited guests, inclosing a copy of the preliminary program, the following statement is made:

"One of the problems of the life insurance business today is found in recruiting the field forces—the men who spread the gospel of protection for the home and who write the business. This is a difficulty experienced by every company, whether large or small. It is hoped that some practical solution will be pointed out in the discussion of this subject, which has been arranged for the first day of the meeting. Executive officers of companies and agency managers will relate the nature of the troubles they have had in this respect, and some will explain how they have recently overcome this situation to a certain extent. Representatives of universities prominent in the vocational training movement in this country will tell what institutions of higher learning are accomplishing in the profes-

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sional training of men for business positions, and probably the way will be indicated for a more practical direct application of this method of instruction with respect to the life insurance business. It is hoped that the officers of all companies will come prepared to join in the general discussion, and thus add the benefit of their experience and thought to this important subject."

The investments made by trustees for life insurance policyholders, savings banks depositors, etc., is another subject which will receive attention at the meeting. It will be broadly discussed in a paper by Prof. James Laurence Laughlin, of the University of Chicago, who is an economist with an international reputation. State and national sanitarians will deliver addresses in connection with the association's campaign for the conservation of human life.

The program of the address and reports of the two days' meeting is as follows:

FRIDAY, DECEMBER 9, 1910.

MORNING SESSION—10:30 O'CLOCK.

Opening remarks by the chairman, Hon. Paul Morton, president Equitable Life Assurance Society.

Addresses of welcome by Hon. Charles S. Deneen, Governor of Illinois, Springfield, Ill., and Hon. Fred W. Potter, Superintendent of Insurance of Illinois.

Response by E. B. Craig, vice president Volunteer State Life insurance company, Chattanooga, Tenn.

"Vocational Training and Its Future," address by Edmund J. James, LL. D., president University of Illinois, Urbana, Ill.

"Nature and Extent of Life Insurance Instruction in Colleges and Universities," address by Robert Lynn Cox, general counsel and manager Association of Life Insurance Presidents.

"Insurance Education in Europe," address by Henry Moir, associate actuary Home Life insurance company, New York.

AFTERNOON SESSION—2:30 O'CLOCK.

"Life Insurance as a Life Work for College Men," address by Edward A. Woods, manager Pittsburgh district, Equitable Life Assurance Society.

"The College and What It May Do for Life Insurance," address by George T. Dexter, second vice president Mutual Life insurance company, New York.

"The Systematic Training of Agents," address by Sylvester C. Dunham, president Travelers insurance company, Hartford.

"Opportunity for Women in the Life Insurance Business," address by Mrs. L. C. Rawson, vice president Des Moines Life insurance company.

General discussion to be led by Wilson Williams, general field superintendent Security Mutual Life insurance company, Binghamton, N. Y.

SATURDAY, DECEMBER 10, 1910.

MORNING SESSION—10:30 O'CLOCK.

"The People's Investments," address by Prof. James Laurence Laughlin, University of Chicago.

"The Fight Against Preventable Diseases," address by Dr. Eugene H. Porter, New York State Health Commissioner.

"Modern Sanitation," address by Dr. Alvah H. Doty, quarantine commissioner Port of New York.

"The Work of the Census in Vital Statistics," address by Dr. Cressy L. Wilbur, chief statistician Vital Statistics, United States Census Bureau, Washington, D. C.

Report of the life extension committee of the Association of Life Insurance Presidents, George E. Ide, president Home Life insurance company, New York, chairman.

Report of Examination of the Franklin Life of Springfield by Illinois Department—Its Financial Condition Approved.

Herewith is a summary of the report of the Illinois Insurance Department on the affairs of the Franklin Life insurance company of Springfield, Ill. The department has just completed an exhaustive examination of the company extending over the period from January 1, 1907, to July 27, 1910, the date when the consolidation with the La Salle Life of Illinois was effected.

The report shows that the directors of the Franklin have had a careful regard for the interests of old policyholders in passing resolutions limiting the amount payable as dividends upon capital stock to 5 per cent., a very conservative basis. This action was taken by the company voluntarily.

The report issued speaks particularly of the high class securities in which the company's assets are invested, as well as the accuracy of its system of accounting and the equity with which its surplus apportionment is made.

The financial condition of the company is evidenced in the report as follows: Admitted assets, $5,340,246.34; liabilities, $4,469,218.03; surplus, including capital, $871,028.31; insurance in force, $39,000,000.

The following are extracts from the report:

An audit of the books and records was made for this period, and all vouchers for two months of each year of the period covered by the examination were examined and checked with the entries on the books and found correct. The annual statement of the company to the department for the years ending December 31, 1907, 1908 and 1909, were checked as to income, disbursements and ledger assets, and found correct according to the accounts as shown on the books of the company.

PREMIUM RECEIPTS.—Several tests covering selected periods were made of the premium accounts which show that these are accurately kept.

DEATH CLAIMS.—A large number of death claims for each year of the period covered by this report were examined and vouchers were produced in all cases showing proper payment of the amounts due. Payment is made with commendable promptness, and when compromises or delays have occurred in settlement the company seems to have been fully justified in its action.

SURRENDER VALUES.—Selected groups of surrendered policies were examined with a view to testing the accuracy of the value allowed. These were found correct and the canceled policies and properly executed receipts were produced in all cases.

OTHER ITEMS OF DISBURSEMENTS.—A number of these accounts were tested for certain periods and the vouchers examined, thus satisfactorily proving the accuracy of the company's system of accounting.

PROFITS FROM SALE OF BUILDING.—The building at present partially occupied by the company as its home office was sold on May 31, 1910, for $147,500. On December 31, 1909, it was carried on the company's books for $107,000, at which figure it stood at the date of sale.

REAL ESTATE.—On January 24, 1910, the company purchased for $22,000 lots 1, 2, 3, 4 and 5 in Ridgely's subdivision of Block 2, E. Iles' second addition to the city of Springfield. The company proposes to erect an office building for its exclusive use on this property. The complete title to the property is on file in the company's office.

MORTGAGE LOANS ON REAL ESTATE.—It has been the practice of the company to deposit all of its mortgage loans as these are made with the department to the credit of its "registration of policies deposit of 1899." These mortgages are all examined and approved by the department at the time of deposit, and therefore call for no comment at this time. The only mortgage not deposited with the department is one for $40,000, being a first payment on a partially completed loan of $200,000, which the company has agreed to make to the Springfield Hotel Company.

LOANS SECURED BY COLLATERAL.—These also are deposited with the department to the credit of the company's "1899 deposit," and have already been passed upon and approved.

BONDS.—All bonds owned by the company, with the exception of those representing the security fund, held for a special class of policies, and referred to hereafter, are deposited with the department in the company's "1899 deposit." Valuation of these bonds for the purpose of this examination was made by Harris & Co., of Chicago.

CASH AND BANK DEPOSITS.—These items were verified in the usual way by actual count of cash in office and by statements annexed hereto from the banks, adjusted for outstanding checks.

DIVIDENDS.—The method of distributing the surplus earnings on deferred dividend policies appears to be equitable, the contribution method based upon the actual experience of the company being used. The annual dividend policies call for distribution annually, commencing with the beginning of the second year, and the annual dividends are computed on the assumption of certain probable gains from mortality, interest and loading, approximating the company's actual experience in the past.

REINSURANCE.—The maximum amount carried by the company on any one life is $12,500, the excess being reinsured in companies which have entered into reinsurance agreements with the Franklin Life. The reinsurance was listed from the company's records and checked with the reinsurance policies on file.

RESERVES.—This was computed from the department's record

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and checked with the company's valuation records. On all business prior to January 1, 1905, the reserves are computed according to the actuaries' table of mortality and 4 per cent. interest on the full preliminary term basis. From January 1, 1905, to June 30, 1907, the reserves on all participating business are computed according to the actuaries' 4 per cent. tables, specially adjusted to provide the full American 3 per cent. reserve at the end of twenty years, or the premium paying period, whichever is the less. No change was made in the method of computing the reserve on the non-participating business. On business issued subsequent to June 30, 1907, the reserves for participating and ordinary life non-participating policies are computed on the American 3½ per cent. table (Illinois standard), adjusted to provide the full American 3 per cent. reserve at the end of twenty years, or the premium paying period. The reserves on non-participating business, other than ordinary life, are computed according to the American 3½ per cent. table (Illinois standard). The accuracy of the company's records was tested by comparison with the data shown on selected groups of applications. The department valuation records were then compared with the company's records for the same selected groups. This test covers parts of the years 1907, 1908, 1909 and 1910.

A consolidation was effected in July of this year between the Franklin and the La Salle Life. By the articles of consolidation the two companies become one corporation under the name of the Franklin Life insurance company. All the assets of every description of both companies were transferred to the consolidated corporation, and the consolidated corporation assumed all outstanding liabilities.

At the last regular session of the Illinois Legislature an act, entitled "An act in relation to consolidation and reinsurance by life insurance companies," was approved and became effective July 1, 1909. This act sets forth the conditions which must govern a company, organized under the laws of this State, in consolidating with or reinsuring the risks of another company.

All the requirements of this act were complied with and the contract was recorded on July 29, 1910, by the Insurance Superintendent, as provided in Section 5 of this act.

Provision is made in the articles of consolidation for the preservation of the rights and interests of the existing policies of the constituent companies in the then existing surplus funds of such companies, and in the surplus thereafter accruing to such policies. In order that full effect may be given to this the stockholders of the company adopted resolutions amending the charter so as to limit the dividends which may be paid upon capital stock to a rate not exceeding 5 per cent. per annum. These resolutions are given in full in the report of examination, and the Illinois Superintendent says they "fully protect the old policyholders in their rights." They are as follows:

Resolved, That the charter of said consolidated company be amended by adding to Article IV thereof, as amended, the following: "Dividends on all capital stock shall be limited to a rate not exceeding 5 per cent. per annum of the par value thereof; and all surplus, after such dividends have been paid, shall be used for policyholders, or apportioned or distributed to them in accordance with the terms of their respective policies.

Be it further Resolved, That the experience of the company as regards mortality, expense, interest and investment earnings, and all other sources of gain and loss, be applied in all apportionments and distributions of surplus without distinction between policies on account of their issuance before or after the date of said consolidation.

Royal Exchange Assurance
OF LONDON, ENG.
Incorporated A. D. 1720
UNITED STATES BRANCH
92 William Street, New York
UBERTO C. CROSBY, General Manager
RICHARD D. HARVEY, Assistant Gen'l Manager

London Assurance Corporation,
CHARTERED A. D. 1720.

Surplus in United States *January 1, 1907,* - -	$650,599.91
Surplus in United States *January 1, 1908,* - -	618,474.17
Surplus in United States *January 1, 1909,* - -	649,969.70

CHAS. LYMAN CASE, Manager.
84 William Street. New York.

SAFETY FUND INSURANCE.
NIAGARA
Fire Insurance Company
OFFICE: 135 & 137 BROADWAY. OF NEW YORK.

201ST YEAR
SUN
INSURANCE OFFICE
OF LONDON
FOUNDED 1710
U. S. Branch: 54 Pine Street, New York
Western Department, 171 La Salle St., Chicago
Pacific Department, Sansome & Sacramento Sts., San Francisco, Cal.
AGENTS WANTED AT UNREPRESENTED POINTS

Head Office for the United States:
57 and 59
William Street,
NEW YORK.
LONDON & LANCASHIRE FIRE INSURANCE COMPANY
A. G. McIlwaine, Jr., Manager.

North British & Mercantile
INSURANCE COMPANY,
OF LONDON AND EDINBURGH.
Established 1809.
OFFICE:
76 WILLIAM STREET,
New York City.

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NATIONAL POLICIES SATISFY THE PUBLIC

NATIONAL CONTRACTS SATISFY THE AGENT

Territory open. Write for terms.

THE CONNECTICUT MUTUAL

That means the best life insurance to have and the best to sell. If you can sell life insurance, you can sell more of it for the CONNECTICUT MUTUAL.

Men of character and ability are invited to apply.

CONNECTICUT MUTUAL LIFE INS. CO., Hartford, Conn.

Please mention this paper

1860 50TH YEAR 1910

HOME LIFE INSURANCE COMPANY

OF NEW YORK.

GEORGE E. IDE, President

ASSETS, $23,626,018.63 LIABILITIES, $21,858,691.52 (Including Deferred Dividend Fund)

Dividend-Endowment Fund (Deferred Dividends)	$2,119,044.00
Net Surplus	1,767,327.11
Insurance in Force	92,532,583.00

The Record for 1909 shows the following GAINS:

Insurance in Force	$4,164,239.00
Assets	1,917,117.00
Deferred Dividend Reserve	148,581.00
Contingency Reserve (Surplus)	655,149.17

OLDEST IN AMERICA STRONGEST IN THE WORLD

The Mutual Life

Insurance Company of New York

Mutual Life Agents Make Most Money Because Mutual Life Policies Sell Most Freely

For terms to producing agents address:

GEORGE T. DEXTER, 2d Vice-President,

34 Nassau Street, New York, N. Y.

[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1, 1910

CAPITAL

$1,500,000

RESERVE FOR ALL OTHER LIABILITIES

8,222,018

NET SURPLUS

6,440,211

ASSETS

16,162,229

GERMANIA

FIRE INSURANCE COMPANY

Organized 1859 **NEW YORK**

Cash Capital	$1,000,000.00
Assets	$6,502,339.14
Net Surplus	$3,008,419.02
Surplus for Policy Holders	$3,008,419.02

HEAD OFFICE: Cor. William and Cedar Streets

The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1910	$3,470,509.30
Total Liabilities, except Capital	1,920,837.24
Capital	500,000.00
Surplus to Policyholders	1,549,672.06

F. F. BUELL, Special Agent, Troy, N. Y.

Provident Life and Trust Co.

OF PHILADELPHIA.

The Provident has been particularly distinguished for the development of a highly trained force of agents. The systematic instruction which its agents receive has resulted in their being recognized as representatives of exceptional knowledge of the business and of marked efficiency.

Insurance Company of North America

FOUNDED 1792

232 Walnut Street, Philadelphia

Assets, January 1, 1909 ..... $12,014,062.63

LIABILITIES—Reserved for Reinsurance and all other claims	$7,263,156.97	
Capital Stock	3,000,000.00	
Surplus over all Liabilities	1,750,905.66	$12,014,062.63

Agents in all the principal towns and cities.

EUGENE L. ELLISON, President.

T. HOUARD WRIGHT, Secretary. HENRY W. FARNUM, Assistant Secretary.

BENJAMIN RUSH, Second Vice President. JOHN O. PLATT, Assistant Secretary.

Surplus to policyholders, $4,750,905.66.

Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

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HOME OFFICE OF THE

Metropolitan Life Insurance Co.

INCORPORATED BY THE STATE OF NEW YORK

The Company OF the People, BY the People, FOR the People.

PROOF OF PUBLIC CONFIDENCE

This company has more premium paying business in force in the United States than any other Company, and for each of the last 16 years has had more New Insurances accepted and issued in America than any other Company.

The number of Policies in force is greater than that of any other Company in America, greater than all the Regular Life Insurance Companies put together (less one), and can only be appreciated by comparison. It is a greater number than the Combined Population of Greater New York, Chicago, Philadelphia, Boston, St. Louis, Cleveland, Cincinnati, San Francisco, Pittsburg, Baltimore, New Orleans and Buffalo.

ASSETS.

Municipal and R. R. Bonds and Stocks	$123,346,161.39
Bonds and Mortgages	105,183,172.62
Real Estate	23,311,215.72
Demand Loans on Collateral	172,930.00
Cash	5,420,643.42
Loans to Policyholders	11,193,245.61
Premiums, deferred and in course of collection (net)	5,190,288.45
Accrued Interest, Rents, etc.	3,290,211.85
Total	$277,107,868.46

LIABILITIES.

Dividends payable in 1910	$6,938,793.66
Reinsurance Fund and Special Reserves	237,213,384.00
All other Liabilities	3,053,470.82
Capital and Surplus	29,902,219.98
Total	$277,107,868.46

Largest Office Building in the World—Madison Avenue, Fourth Avenue, 23d Street and 24th Street, New York City.

SIGNIFICANT FACTS

This Company's Policy-claims paid in 1909 averaged in number one for every 62 seconds of each business day of 8 hours each and in amount $140.81 a minute the year through.

THE DAILY AVERAGE OF THE COMPANY'S BUSINESS DURING 1909.

456 per day in number of Claims Paid.
6,535 per day in number of Policies placed and paid for.
$1,463,755 per day in New Insurance placed and paid for.
$183,408 75 per day in Payments to Policyholders and addition to Reserve.
$132 172.72 per day in Increase of Assets.

OFFICERS

JOHN R. HEGEMAN.....President
HALEY FISKE.....Vice President
GEORGE H. GASTON....2d Vice President
GEORGE B. WOODWARD..3d Vice President
FRANK O. AYRES.....4th Vice President
F. F. TAYLOR.....5th Vice President
JAMES M. CRAIG.....Actuary
STEWART L. WOODFORD.....Counsel
WM. J. TULLY.....General Solicitor
FREDERICK H. ECKER.....Treasurer
WALTER STABLER.....Comptroller
JAMES S. ROBERTS.....Secretary
JOHN R. HEGEMAN, Jr....Asst. Secretary
J. J. THOMPSON.....Assistant Secretary
T. R. RICHARDSON.....Assistant Secretary
GEORGE B. SCOTT.....Assistant Secretary
FREDERICK A. BETTS...Assistant Secretary
GEORGE C. PENHALLOW...Asst. Secretary
THOMAS H. WILLARD, M. D..Med. Direct.
AUGUSTUS S. KNIGHT, M. D..Med. Direct.
W. S. MANNERS, M. D..Asst. Med. Direct.
E. M. HOLDEN, M. D....Asst. Med. Direct.
D. M. GEDGE, M. D.....Asst. Med. Direct.

I. J. CAHEN.....Manager Ordinary Dept.
LEE K. FRANKEL, Ph. D..Mgr. Indus'l Dept.
J. BERGEN OGDEN, M. D..Asst. Med. Direct.
JACOB CHADEAYNE..Mgr. Interm'd'e Branch

Paid to Policyholders since Organization, plus the Amount now invested for their Security, $537,223,523.83.
Number of Policies in Force, 10,621,679. Amount of Outstanding Insurance, $3,041,951,700.00.

Prosperously Busy!

Our agencies are steadily increasing this year's lead over the figures of our high record in 1909.

Our agents are prosperously busy With Business Life Insurance and our unequaled Continuous Monthly Income policy they are reaching and satisfying the public and liberally rewarding themselves.

Inquiries invited from *delivering* producers.

GEORGE D. LANG, Superintendent of Agencies

MASSACHUSETTS MUTUAL LIFE INSURANCE CO.

SPRINGFIELD, MASSACHUSETTS

INCORPORATED 1851

National Life Insurance Co.

MONTPELIER, VERMONT.

Established in 1850. Operating in 36 States.

JOSEPH A. DEBOER, President.

FRED A. HOWLAND, Vice-Prest. OSMAN D. CLARK, Secretary.
JAMES B. ESTEE, 2d Vice-Prest. H. M. CUTLER, Treasurer.
A. B. BISBEE, Med. Director. C. E. MOULTON, Actuary.

This Company held January 1, 1910, and gained during the past decade:

ASSETS,	$47,490,998.98	- Gain, 167%
LIABILITIES,	41,661,180.12	- Gain, 162%
SURPLUS,	5,829,868.86	- Gain, 211%
INSURANCE,	161,428,115.00	- Gain, 79%

ABSOLUTE SECURITY AND ECONOMY OF MANAGEMENT

J. G. WALKER, President.
T. WM. PEMBERTON, 1st Vice-Pres. W. L. T. ROGERSON, 2nd Vice-Pres.
E. D. HARRIS, Secretary.

Organized 1871.

Life Insurance Company of Virginia

HOME OFFICE, RICHMOND, VIRGINIA

The OLDEST Southern Life Insurance Company.
The LARGEST AND STRONGEST Southern Life Insurance Co.
The PIONEER Southern Industrial Life Insurance Company.

Its policies are clear and definite in their provisions, and their values are absolutely guaranteed.

Assets, December 31, 1909	$5,872,691.99
Liabilities, December 31, 1909	4,812,405.82
Insurance in force December 31, 1909	68,337,613.00
Total payments to policyholders since organization	9,820,412.49

Help Yourself to Better Financial Conditions

If your income is small and you are willing to work for a larger one, sell Life Insurance for The Prudential.

Write us about an agency.

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA.

Incorporated as a Stock Company by the State of New Jersey.

JOHN F. DRYDEN, President Home Office, Newark, N. J.

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PHOENIX

ASSURANCE COMPANY, LIMITED, OF LONDON
(ESTABLISHED 1782)

LOSSES PAID, OVER - - - $200,000,000

HEAD OFFICE FOR THE UNITED STATES
47 CEDAR STREET, NEW YORK CITY

A. D. IRVING, JR., SECRETARY — LOUIS F. BAYARD, PERCIVAL BERESFORD — JOINT MANAGERS

JUST WRITE

Today If Possible
To See What

HARTFORD LIFE

Will Do For You
ALL FORMS OF POLICIES
Hartford, Conn.

1825. THE 1910.

Pennsylvania Fire Insurance Company

OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,349,097.67
Surplus	2,233,426.43
Total January 1, 1910	$7,332,524.10

R. DALE BENSON, Pres. — W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. — HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

INCORPORATED 1851.

Berkshire Life Insurance Company

OF PITTSFIELD, MASS.

All Policies issued by the Company are subject to the Massachusetts Non-Forfeiture Law.

JAMES W. HULL, President.
W. D. WYMAN, Vice-Pres. and Treasurer. — J. M. LEE, Actuary.
THEO. L. ALLEN, Sec. — ROBT. H. DAVENPORT, Asst. Sec.
Agencies in all the principal cities of the United States.

BRITISH AMERICA ASSURANCE CO.,

INCORPORATED 1833.

Head Office: TORONTO, CANADA.

UNITED STATES BRANCH.
JANUARY 1, 1910

Assets	$1,556,740.94
Liabilities	902,438.61
Net Surplus	$654,302.33

HON. GEO. A. COX, President. — W. R. BROCK and JOHN HOSKIN, K.C., LL.D. — Vice Presidents.
W. B. MEIKLE, General Manager.

Equitable Accident Company

161 DEVONSHIRE STREET, BOSTON, MASS.
"THE COMPANY THAT WORKS WITH YOU"

CAPITAL, - - - - - - - - - - - $100,000.00
SURPLUS TO POLICYHOLDERS, - 182,372.07

Accident and Health Insurance
Commercial and Industrial Departments
Attractive Policy Forms—Liberal Commissions
WM. H. JONES, General Manager

QUEEN

Ins. Co. of America.

NEW YORK.

To Agents and Brokers!

Are you familiar enough with the new Liability Laws to advise and protect your clients' interests? We will gladly send any information on request.

The Philadelphia Casualty Company

WALTER LE MAR TALBOT, President

Personal Accident, Health, Liability, Automobile, Plate Glass and Credit Insurance.

Federal Life Insurance Co.

ISAAC MILLER HAMILTON, President
CHICAGO

Capital, Surplus and Reserves	$2,500,000
Insurance	17,000,000

Did you see the results on our matured ten year Endowments?

POLICIES WHICH SELL. PROFITABLE CONTRACTS FOR AGENTS. DESIRABLE AVAILABLE TERRITORY. WILL ENTER NEW TERRITORY.

Write us your ambitions—we may help you realize them.

We need a good man in Ohio, another in Michigan

The Columbian National Life Insurance Co. of Boston, Mass.

LIFE, ACCIDENT AND HEALTH INSURANCE

The Only Massachusetts Non-participating Company.

The New Columbian Policies are Unexcelled in Clearness and Liberality. Good Contracts and Territory for Good Producers.

ARTHUR E. CHILDS, President

COMMERCIAL UNION ASSURANCE CO.

LIMITED,
OF LONDON.

OFFICE:
Cor. Pine & William Sts., New York.

CAPITAL $500,000

THE

EMPIRE

STANDS FOR

Aggressiveness

Prompt Payment of Losses

and

Clean Methods

AGENTS WANTED who are unattached and CAN PRODUCE BUSINESS

Address AGENCY DEPARTMENT

THE EMPIRE STATE SURETY CO.

84 William St., NEW YORK.

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The Preferred
of New York
SUPERIOR POLICIES
KIMBALL C. ATWOOD, President,
290-292 Broadway, New York.

1894 1910

The State Life Insurance Company
Indianapolis

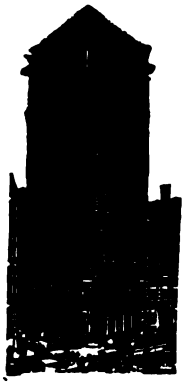
UNEQUALED IN SOLID ACHIEVEMENT
Assets Dec. 31, 1909, $8,580,830.58. Surplus 1909, $1,174,606.34

GROWTH UNPARALLELED

Gain in Admitted Assets		Gain in Surplus
1907	$1,001,409.00	$27,775.00
1908	1,023,700.00	158,161.00
1909	1,201,977.14	314,044.74

Eight Million Dollars in Securities Deposited With the State of Indiana.
This is $848,861 more than is required by law.

MOST ATTRACTIVE AGENCY CONTRACTS
Our Own Idea.
Every Contract Direct With the Company.
Scores of Good Men Have Joined the State Life Field Force since January 1, 1910.
On all Agency matters address: CHAS. F. COFFIN, 2d Vice-Pres., 1231 State Life Building


Company's Office Building.

Surety Bonds and Undertakings

are furnished promptly throughout the United States, Canada and Mexico, by the

American Surety Company
OF NEW YORK

Home Office, 100 Broadway

This Company confines its business exclusively to the furnishing of suretyship bonds and undertakings.

Its experience extends over a quarter of a century.

Its Financial Strength is greater, its Qualifying Power under Federal and State Regulations is larger, and its Agency Organization is more extensive than that of any other Surety Company.

Bonds issued for Employees, Administrators, Guardians, and in Judicial Proceedings.

STATEMENT DECEMBER 31, 1909.

Resources (including Capital, $2,500,000) $7,612,718.73
Liabilities (including Reserve, $1,330,367.97)..... 1,927,36819

FIDELITY-PHENIX
FIRE INSURANCE COMPANY
OF NEW YORK

The FIDELITY-PHENIX is a powerful company.

Its power is used in the interests of the agents — not against them.

Help the company that helps you

HOME OFFICE: 46 Cedar St., New York
WESTERN OFFICE; 205 La Salle St., Chicago
HENRY EVANS, President

Incorporated 1855

THE
JEFFERSON FIRE
INSURANCE COMPANY
OF PHILADELPHIA

In Business Fifty-four Years. Surplus to Policy-Holders, Over $450,000.

AGENCY DEPARTMENT, 425 WALNUT STREET, PHILADELPHIA.

AGENTS WANTED AT ALL DESIRABLE POINTS.

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DEC 3 1910

The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

VOL. LXXXIII. NEW YORK, SATURDAY, DECEMBER 3, 1910. No. 23.

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

A BRIEF on behalf of the Union Central Life insurance company has been filed with the committee of fire insurance commissioners appointed by the National Convention to look into the legality of the stock dividend which an Ohio court has pronounced lawful. The brief deprecates committee action on a question which the company assumes has been settled, so far as any court proceeding is known at this time, and suggests that a reasonable course would be to provide by legislation for the regulation of stock dividend distributions from non-participating surplus in the future, the legislation to be general and not applicable to this individual case. While it is possible that a decision in the appeal to the Supreme Court of the State of Ohio may be forthcoming next month, it does not appear necessary that the commissioners' committee should wait to base its action upon that, for a rule wide enough to cover the entire business is what is wanted. The members of the committee will be in New York week after next with nearly all the other commissioners, to attend President Button's "midwinter round-up," and it can well settle its policy as to the so-called non-participating surplus stock dividend question then.

MR. SEWARD will be missed from the insurance business because his interest in its welfare was so active that he was continuously at the front. That interest was not confined to his special line of insurance, for he wrote and spoke upon taxation, supervision and kindred themes for the whole business. In casualty insurance he was the most forceful, clearsighted and alert of its exponents. There was no phase of the business with which his intellect did not grapple and always with success. We can appreciate the sense of loss which must prevail among his associates as they realize that his counsel and co-operation are no longer theirs, and that there is a vacancy that cannot again be wholly filled. They have well expressed it in their memorial allusions to the "commanding position" he occupied in the business through his "industry, intelligence and skill"; his "exceeding energy and unusual mental attainments." Mr. Seward was really a great man. He created an example toward which his fellow underwriters can aspire.

IN the land where underwriters at Lloyds may write on any speculative risk it will occasion no surprise that a regularly incorporated company, the Glasgow Assurance, has come out full fledged with aerial insurance as a business. It offers to assure benefits in the event of death by aerial accident, and for the loss of hands, feet and eyes, total or partial, and to insure aeroplanes, monoplanes, biplanes and any other planes against fire, theft, damage and claims by third parties injured by aviators and their machines in races and competitions. Recently, an aeroplane in Europe, not rising sufficiently, shot downward and cut off the upper part of the head of a spectator gazing upward. The Glasgow Assurance will protect the aeroplanist against such hazards as this. As aviation increases the number of machines and incumbents thereof dropping down on the unprotected bodies of citizens, male and female, will increase, and will create a real peril, which will have to be guarded against with sheet iron umbrellas, if not with insurance. The rates of the company insuring against aerial risks, in the present absence of experience sufficiently large to secure an "average," must be largely guesswork. The company cited charges the equivalent of $31.50 per quarter for all the death and personal accident benefits for individuals above mentioned up to $1,250. This may be sufficient, but who knows? As a London contemporary observes, "at the best, aerial insurance is bound for some years at least to be of a very hazardous and speculative nature, and so far the death rate is alarmingly high among aviators, and accidents have been sadly numerous." The insurance laws of American States would under present circumstances bar this kind of insurance.

IT is a healthy sign when an organized body of business men of importance wakes up to the inequity of taxing insurance and bestows on the practice the scathing title of "a burden on calamity." The Merchants' Association of New York is so moved by its new found convictions that it has addressed a communication to the legislative investigating committee asking it to look into the policy of insurance taxation. This tax, the merchants desire to impress upon the investigators, though laid on the companies, is really borne by the insured. The companies have to charge it to expenses and it appears in the rates. Take off the tax and the rates will be so much lower. This is a plain enough proposition—which underwriters have been dinning in the ears of legislators and the public for years without getting much attention. Now that the insured property owner, represented by the Merchants' Association, accentuates it, there is much interest manifested —local at least. The protesting association dwells, in its communication, quite as much on the inequity as the impolicy of insurance taxation, for it says:

The imposition upon the business of insurance of taxes for revenue is opposed to sound principles of taxation. Ordinary taxes represent the payment to the Government of a part of the profit derived from the economic use of wealth. Taxes derived from an insurance fund represent an addi-

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tion to the burden upon a community imposed by the destruction of wealth. It is wholly unjust that the fund exacted from the community to distribute the burden of destruction should be increased by Government exaction.

Attention is also called to the inordinate increase of the tax burden by the action of reciprocal laws. New York in levying on other State companies invites exactions from other States, which the insured must bear. For the ordinary commentator who habitually magnifies the profits of fire insurance companies the association administers the startling corrective that the official figures of the New York State Insurance Department show that, while the ratio of profit to premiums in eighteen years has been but 3.06 per cent., the ratio of taxes to premiums has been 2.67 per cent., and the taxes paid in the period named aggregate an amount equal to 87.5 per cent. of the profits derived from the business transacted. The peroration of the association's communication, "this excess of taxation is simply a burden on calamity," is good, and its request that the whole subject be carefully investigated by the legislative investigating committee, "with a view to recommending legislation to modify or abolish these burdensome and objectionable taxes," will, it is strongly hoped, bear quick and fruitful results in this State, to be followed elsewhere.

Facts and Opinions.

At a special meeting of the board of directors of the Metropolitan Life insurance company, held on Tuesday, November 29, ex-Insurance Commissioner **James V. Barry**, of Michigan, was elected an assistant secretary of the company. Mr. Barry recently resigned the commissionership to take the position of manager of the new publicity bureau of the casualty insurance companies of the United States.

Beginning with January 1 next Mr. **John A. Hartigan**, now Insurance Commissioner of Minnesota, will be connected with the Equitable Life Assurance Society, and will have charge of its business and agents in Minnesota and North and South Dakota. The term of Mr. Hartigan as Insurance Commissioner does not expire until February, 1911, but he will resign to meet the new business connection. It is announced that the Governor has appointed to fill the unexpired term—with the view of reappointment subsequently—Joseph A. O. Preus. The new commissioner is a lawyer, and has been secretary to Senator Knute Nelson and executive clerk to Governor Eberhardt. During the recent political campaign Mr. Preus was on the stump for the Republican State ticket as one og the regular headquarters speakers.

The very interesting litigation between property owners in **San Francisco** and the **Helvetia Swiss Fire insurance company**, which has been in the courts for several years, has been terminated by compromise. The published statements concerning the matter have been inaccurate, especially the statement that the claims against the Helvetia arose out of its ownership of a smaller Swiss company. The facts are that the Helvetia had discontinued doing any direct business in San Francisco, as well as in all other parts of the United States, some years before the great fire. After the fire it turned out that the Helvetia had been reinsuring 90 per cent., or even more, of every San Francisco risk written by the Rhine and Moselle insurance company, a German institution located in the city of Strassburg. The Rhine and Moselle policies contained the usual so-called "earthquake clause," so that the managers of both companies at first assumed that they would have nothing to pay for losses in the great conflagration. They were soon disabused of that agreeable contemplation; but the Rhine and Moselle, standing upon what it believed its rights, denied liability, refused to negotiate with policyholders whose property had been destroyed, and discontinued all business in the United States. Even when suits were brought against the company by San Francisco claimants no defense was set up in the California courts. Thereupon lawyers representing several hundred thousand dollars of judgment obtained by default went over to Strassburg and endeavored to enforce their judgments by the processes of the German courts. The insurance company contended that there had been no trial upon the merits of the cases and that the claims must be tried before German juries. The court where the matter was first heard decided in favor of the company. The lawyers from San Francisco appealed to higher courts. We are not informed as to what the result of the appeal has been, if any. Meantime policyholders of the Rhine and Moselle, learning of the extent of reinsurance in the Helvetia, attached the funds of the latter company, amounting to about $500,000, which had not yet been released, since they had been deposited with the State Insurance Department and trustees in New York when the company was doing a general business. The management of the Helvetia was advised to resist this attachment, and the litigation which ensued has been, as we said before, very interesting, some points of practice in the United States courts being entirely new. The claims upon which suits were begun in the United States and New York State courts in this district amounted to about $1,000,000. The settlement, as we understand, has been made by the relinquishment by the Helvetia of its funds in this State and their acceptance of lawyers representing the policyholders, in full discharge of the claims against the Helvetia. The value of the funds thus transferred was little short of $500,000.

The **Eastern Union**, at a meeting held at the Waldorf-Astoria, New York, on Wednesday, adopted a plan for the readjustment of brokerage and agency commissions, which it is confidently believed will insure the permanency of the organization. The plan is based upon the following recommendations submitted by the committee of seven companies:

On or before April 1, 1911, brokerages of 10, 15 and 20 per cent. be established in what is now known as the excepted territory, and that when the brokerages are so fixed, or by April 1, 1911, at latest, the agency commissions paid by Union companies in such territory be limited to not exceeding 10 per cent. overriding and 5 per cent. contingent on the net profits, and that Union companies pledge themselves to immediately initiate action on the part of underwriting associations exercising jurisdiction in such territories providing for the prompt adoption of rules limiting brokerages to 10, 15 and 20 per cent. in their respective districts, such limitation to be under a classification to be determined hereafter. For the territory outside of what is known now as the excepted territory, providing the pledges of Union companies are carried out restricting the commissions and brokerages in excepted territories, that after January 1, 1911, it will be permissible to pay in the States of Maine, New Hampshire, Vermont, Rhode Island, Connecticut and Delaware, and in the non-excepted portions of the States of Massachusetts, New York, New Jersey and Pennsylvania, graded commissions of 15, 20 and 25 per cent. on classes to be hereafter determined, it being understood that in order to obtain such graded commissions the agent desiring such will be required to enter into an approved form of contract agreeing not to accept from any company or companies any commissions or allowances different from or in excess of such graded commissions.

It is expected that the plan will be further elaborated as to details. The field under the charge of the South Eastern Underwriters' Association will be taken up under such recommendations as may be made by the Southern managers at a later date.

The organization board of the **New Jersey Fire insurance company** met Wednesday afternoon to discuss the terms of the charter for which it is proposed to apply on December 15. The company will at that time have $200,000 in paid-in cap-

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ital and an equal paid-in surplus, which amounts will be increased after January 1. It is proposed to write fire and tornado insurance, and later the company may write automobile lines under the marine clauses of the charter. The directors will be the following: William G. Whilden, New York; Israel G. Adams, Atlantic City, N. J.; Charles L. Auger, Paterson, N. J.; E. C. Bataille, Newark, N. J.; W. R. Codington, Plainfield, N. J.; William L. Douglas, New York; Walter A. Flint, West Orange, N. J.; W. L. Glorieux, Irvington, N. J.; Edwin B. Goodell, Montclair, N. J.; Reuben C. Hunt, Bridgeton, N. J.; George W. Jagle, Newark, N. J.; R. W. Jones, Jr., New York; Lewis G. Lockward, Caldwell, N. J.; Rudolph F. Rabe, Hoboken, N. J.; Samuel Ludlow, Jr., Jersey City; David St. John, Hackensack, N. J.; Robert L. Smith, New York; William Vredenburgh, Freehold, N. J. Stock is being subscribed at $50 for each $25 share. William G. Whilden is to be managing underwriter.

At the request of Insurance Commissioner Henry of Mississippi, an examination was made of the **Franklin Life insurance company of Springfield, Ill.**, by Actuary John F. Roche in October to ascertain whether the interests of the old policyholders of the company had been properly protected by the articles of agreement between the company and the La Salle Life, and also under the new charter adopted by the consolidated corporation. This examination was made by Mr. Roche while that by the Illinois Insurance Department—which has been published—was in progress. Mr. Roche made a report criticising certain features of the consolidation process and recommending changes. The company acquiesced in these suggestions, and Mr. Roche, by a communication to Commissioner Henry of November 8, expressed himself satisfied, with the exception of stating his desire to see a further amendment as to the future increase of the capital stock. The commissioner in publishing the correspondence adds this explanatory note:

There has never been any question about the solvency of the Franklin Life insurance company, and for that reason Mr. Roche was given the option of accepting so much of the Illinois department's examination along that line as he might deem proper. He found everything in that respect all right. The report made by the Illinois department, and referred to by Mr. Roche, shows that the company's investments are conservatively made, and of a high class, that its death claims are promptly paid, and methods of apportioning dividends fair and accurate. It also shows that after providing for all liabilities the company has a surplus (apportioned and unassigned) of $776,851.43, and a capital stock of $100,000.

When sickness comes, says *Mutual Interests,* of the Mutual Life insurance company, one of the great benefits of the possession of a life insurance policy is that it promotes convalescence. A well known physician of New York, referring to the subject, says:

"It is generally agreed that 'worry kills more people than disease.' If a patient in addition to the wear and tear of some bodily ailment suffers from some mental strain, his chances of improvement are greatly retarded. We will say that a man is taken with a dangerous fever. This invariably comes on unexpectedly. In a few days perhaps he is up against a condition that he had never even dreamed of. His earning capacity for the time being is at an end, and if he has a wife and perhaps several children whose future is not provided for, his disease becomes almost a secondary matter to him, and as he looks at his wife and children he begins to worry: 'If I should die what would become of them?' The patient under these conditions will not express his fears, because he knows that as a husband and father he ought to have taken measures for their protection. On the other hand, a man who has insured his life for a fair amount, when brought down by a severe sickness is freed from that kind of worriment. He may grieve over his business, or the loss of time, but he is comforted by the thought that if he dies his wife and children will at least be in no immediate need. This is a great factor in the matter of convalescence." From this point of view there is something in the life insurance policy aside from the question of finance; it is a tonic in case of sickness. It certainly affords an additional argument in favor of securing the protection which a policy in a good company affords.

A report of the **examination of the Continental insurance company** of New York by the Insurance Department of the State of New York has been filed at Albany, and, as was expected, it found the company in a strong condition, its surplus being even larger than was claimed by the company. The summary of condition of its affairs on June 30, 1910, is: Total admitted assets, $24,167,125.20; total liabilities except capital, $8,369,176.67; capital, $2,000,000; special reserve fund, $600,000; guaranty surplus fund, $600,000; surplus, $12,597,948.53; surplus to policyholders, $15,797,958.53. The report notes that in March of this year the company entered into a contract with the Fidelity-Phenix to issue joint policies under the title of Fidelity Underwriters. The company transacts business in practically every State in the Union, and has a net premium income of over $6,600,000 and an agency force of about 9,000 submitting daily reports to the home office. In addition it has about 2,500 agents writing farm business only, reporting to the office of the Western department in Chicago, and under the supervision of C. R. Tuttle, a secretary.

Public sentiment has been aroused to a remarkable degree in **Newark,** N. J., by the **factory fire** of last Saturday, which has caused the death of twenty-four persons, mostly young girls, and the injury of many others as they struggled to escape from the fire, which seemed to spread through the four floors of the building with lightning-like rapidity. The insufficiency of the New Jersey factory inspection laws and the indifference of the owners with regard to the condition of the building have been brought sharply to public attention, as well as the lack of supervision regarding varied occupancies in factory buildings. The fire insurance companies had recognized the hazardous character of this building, and largely increased premiums were being paid for insurance on it. The companies, however, could not force improvements to be made. The terrible results of the fire appear to be arousing the authorities of Newark and other cities to the conditions in factory buildings, and a new factory inspection law in New Jersey will probably be passed at the next session of its Legislature.

The long drawn out jury trial of the officers and committeemen of the South Eastern Underwriters' Association for conspiracy against the Commonwealth of Virginia and violation of the common law at **Newport News** ended on Friday of last week by a conviction of all the defendants and the imposition of a fine of $400 on each of them. The case has been appealed, as was expected. The convicted persons are: A. H. Harris, secretary of the Virginia committee of the association; L. R. Warren, chairman of the Virginia committee; William R. Robbins, E. H. Jones and A. M. Travers, of Richmond; B. A. Hamlin, of Danville, members of the Virginia committee; W. R. Prescott, president of the South Eastern Underwriters' Association; A. B. Andrews, manager; Daniel B. Harris, Guy Carpenter, George H. Collins, A. L. Brooks, R. N. Hughes, R. T. Caldwell, J. S. Middleton and H. N. Tanner, of Atlanta, Ga.; Dana Blackmar, of Columbus, Ohio; H. C. Hare, of Jacksonville, Fla., and R. J. Smith, of Charlotte, members of the executive committee.

What Woodrow Wilson terms the **American appetite for legislation** must be the cause of the following instances of legislation apparently overdone, which an irate correspondent, who has just returned from a trip through thirty-two States, in which he got in trouble in several, has communicated to the New York *Times:*

In North Carolina notices are posted making it a misdemeanor to drink alcoholic beverages in public. In South Carolina to obtain a drink it is necessary to go to a State dispensary and purchase a bottle, but it must be consumed off the premises, and no glasses are furnished. In Minneapolis I

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was crossing a street at an angle when a policeman called me back and compelled me to cross at right corner crossing of the street. In Wisconsin upon entering the Pullman toilet room in the morning I found no glass, and upon complaining to the porter I was shown a notice stating that a fine or imprisonment is enforced for placing a glass in any public room in the State. In Indiana a policeman threatened me with arrest if I did not extinguish a cigarette I was smoking. In Vermont it is against the law to pay for another man's drink. In New Hampshire, at Portsmouth, I was walking the street one night about 9:30 when a policeman informed me of the curfew law, so I returned to the hotel.

The **Committee of One Hundred on National Health** at its last meeting elected Prof. Irving Fisher president and Edward T. Divine secretary, with several vice presidents and other officers. In the bulletin of the committee the following reference is made to the co-operation of the insurance companies:

The committee's work among life insurance companies has been extensive. The human life extension committee of the Association of Life Insurance Presidents was appointed as a result of a paper read before the association by the president of the committee of one hundred. This association recently passed a resolution instructing its life extension committee to devise plans or methods for giving all possible assistance to public health legislation throughout the country. A number of insurance companies are now co-operating with the committee of one hundred in the dissemination of information on health questions—notably the Metropolitan Life insurance company, which reaches many millions of policyholders. Individual life insurance companies are also passing resolutions indorsing the National Department of Health idea.

The **Merchants Fire of Baltimore**, a new organization, is to be headed by William Lanahan, a wholesale liquor merchant. Jacob A. Ulman will be vice president and John G. Binford secretary and treasurer. The directors chosen are: William Lanahan, Jacob A. Ulman, William A. Boykin, John G. Binford, Ferdinand Meyer, James H. Preston, John R. Bland, Henry F. Westheimer, David G. Rosenheim, H. P. Goldsborough and William P. Cummings, all of Baltimore; A. J. Sunstein, Pittsburgh; Charles F. Brice, J. Hazelton Carstairs and H. J. Bissenger, all of Philadelphia; Harry Eising, New York; J. Walter Freiberg, Cincinnati; Louis Rosenfeld and Thomas C. Deneberg, of Chicago; Bernard Bernheim, Louisville. The capital stock is to be $500,000, and the company will make a specialty of insurance for distillers, but will also do a general business.

In Utah **misrepresentation does not go with Willard Done**, the new Commissioner of Insurance. A Los Angeles fraternal has been circularizing Utah with literature stating that 775 old line companies have failed since 1843, and containing other statements calculated to convince the uninformed of the desirability of fraternal insurance. Mr. Done has written the company in part as follows:

I wish you would also say why it is that an association or order without any reserve is safer than an old line company with the scientific reserve required by the laws of all the States. In this connection please inform me also why the insurance laws of all States require the reserve of old line companies, when according to your statement it renders the companies unsafe. If these questions are not answered to my satisfaction I shall demand that you withdraw this circular from your agents in this State on pain of having your order excluded from doing business in Utah. I await your early reply.

The time of meeting of the executive committee of the **National Convention of Insurance Commissioners** in the city of New York, for the usual "midwinter round-up," has been fixed for December 13, 14 and 15. The committees on laws and legislation, reserves other than life, fidelity and surety companies, codification of rulings and valuation of securities, will also meet, but the exact dates of the meetings will be arranged after arrival in New York, so that there will be no conflict. The committee on fraternal insurance is also expected to have a conference with the representatives of the two fraternities. President Button expresses the hope that as many members of the association as possible will be present at this gathering, although all may not be members of the committees. These "round-ups," as Superintendent Hotchkiss first called them, are undoubtedly very beneficial to the cause of good supervision.

The Columbian National Life insurance company of Boston announces the election of **William C. Johnson** as vice president and general manager. Mr. Johnson has been for many years the manager of the Phœnix Mutual Life at New York, and needs no introduction to the insurance world. His services in safeguarding agency interests at the time the reform legislation was being considered in New York, and since in support of every movement for the betterment of the insurance business, have made him known to insurance men of all classes. The Columbian National is to be congratulated upon having secured as its managing underwriter such a well known and competent insurance man as Mr. Johnson.

The brief prepared by Thomas Bates and other counsel for the fire insurance companies in the **Kansas State rating test case** follows the lines of the recent decision of Judge Munger, of the United States Circuit Court in the Nebraska State rating test suit, and holds that the State has no power to regulate rates in any business unless it is of a public nature, and fire insurance does not come within this class. The constitutionality of the law is also attacked on the ground that it discriminates, since it applies to incorporated companies and does not extend to individuals, partnerships or unincorporated associations engaged in a precisely similar business, and specifically exempts farmers' mutuals.

Missouri local fire insurance agents will buck the legislative tiger from a new direction this winter, hoping to secure the enactment of a bill made up of different language but conveying the same **State rating** idea that was vetoed by Governor Hadley last spring. A clause of real worth relating to the abolition of rebating is tucked in for good measure. From the viewpoint of Sam D. Capen, president of the Missouri agents' local association, the Kansas and Texas State rating laws have proved beneficial and that in Louisiana is going to. No interview with Mr. Capen concerning the recent decision by Judge Munger, of Nebraska, has as yet been printed.

The New York Board of Fire Underwriters has issued an important notice calling to the public attention that the **introduction of Christmas greens** and other inflammable materials, such as cotton to represent snow, moving picture machines, etc., creates such an increase in hazard as will void a fire insurance policy under the New York standard form. All temporary electrical installations must be approved by the board before being put in service. So many disastrous fires have resulted from Christmas decorations that their prohibition is deemed necessary.

Figures of the **Washington Fire** insurance company for the first ten months of 1910 show net premiums $416,140.22, with a loss ratio of 57.2 per cent. and an expense ratio of 38.6 per cent. Except for the heavy forest fires in Montana and eastern Idaho its loss ratio was less than 50 per cent. The Washington Fire inspects all of its business rigidly and limits its annual premium growth to $50,000, an example of conservatism recommended to other medium sized companies.

The final draft of the **report of the Illinois Commission** to the Illinois Legislature will be completed at a meeting of the commission to be held at the La Salle, in Chicago, on December 5. It is understood that the report will make no recommendations in favor of State rate making, but that it will

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advocate anti-discrimination and anti-rebate laws, as well as a closer regulation of Lloyds and a higher stand of qualifications for agents.

The Supreme Court of Appeals of Virginia on Wednesday declared unconstitutional the act of the Legislature levying a **tax** on fire insurance companies **for the benefit of aged and disabled firemen** in cities and towns of the State. The opinion sustains that of the lower court, and it enjoins the Insurance Commissioner from collecting the tax. The insurance companies combined to oppose it in the courts.

The New York city and suburban management of the fire insurance departments of the Insurance Company of North America and the Alliance insurance company, both of Philadelphia, are now with the firm of **John M. Talbot & Co.**, succeeding Talbot, Wallace & Co. George G. Hooper, who has been with the two companies mentioned for a long time, is a member of the new agency firm.

The Ohio Supreme Court, in the case affecting the Mutual Life, has decided that **no tax** can be levied **on premiums paid** direct to the company's home office **by mail** from Ohio policyholders. The company is thus relieved of the payment of a tax levy of $9,354.69. Other life companies which have paid the tax will now seek to recover their moneys, said to aggregate about $50,000.

In order to provide a place where persons in need may borrow money at low interest rates H. C. Henry, of Seattle, the millionaire president of the Northern Life insurance company, has **obtained a pawnbroker's license**, and will set up in that business as one of his philanthropic enterprises. He recently contributed $100,000 toward the movement for eradicating tuberculosis.

The **Little Gem Assessment Chart**, edited and published by Sampson Dawe, of Boston, has been received. The book is designed for the use of regular life insurance agents who desire incontrovertible arguments demonstrating the desirability of old line insurance as against that issued on the assessment plan. The book sells at 75 cents.

The president of the National Convention of Insurance Commissioners, Colonel Button, announces the appointment of **George W. Ingham**, the new Superintendent for the District of Columbia, to be a member of the committees on rates of mortality and interest and taxation, vice Daniel Curry, the former superintendent.

The new **general agency of the Equitable in the Flatiron Building**, New York, is increasing in importance daily under the capable management of Herman Leroy. Desirable agents are being added to the force every day, and after January 1 extensive additions will be made to the number of men and the room occupied.

The **Life Insurance Chart**, compiled and published by the Spectator Company, shows on one sheet all the legal requirements of each of the States, of life insurance companies, in regard to filing of statements, taxation, agents' licenses, examinations, fees and other particulars. It is very convenient and useful.

In the recent Pennsylvania State election our esteemed contemporary, **Robert R. Dearden**, was elected to the State Legislature from Philadelphia for the seventh time. He has been one of the most useful and industrious members of the Legislature, and has been an invaluable standby there for insurance.

The finance committee and President W. H. Gregory, of the **Citizens National Life of Louisville**, are in dispute over moneys claimed to have been advanced by the committee, and to recover which the committee has sued. Mr. Gregory has asked for an official examination to determine the facts.

Since it received its license to begin business the **Old Line Life insurance company** of Milwaukee, Wis., has written and examined business amounting to over $800,000. This business is of a class which should prove profitable, and no high pressure methods have been employed in securing it.

Present stockholders in the **North British and Mercantile** are to have the opportunity to invest proportionately in a new issue of preferred stock amounting to £1,000,000, which is probably put out in connection with the recent purchase of the Railway Passengers Assurance Company.

The new fire commissioner of **Boston**, Charles D. Daly, believes that many things relating to fire prevention in that city which are now in control of the city police should be transferred to a **bureau of fire prevention** established along lines similar to that of the city of New York.

Following the appointment of Frank D. McGrath as **manager for Michigan for the Prudential** the Sioux City ordinary office has been closed, and renewals are handled through the Des Moines office, of which J. C. Clapp is manager. A Sioux City district agent will be appointed.

The stockholders of the **Allegheny Fire of Pittsburgh** are considering a proposition to turn over the company to the Humboldt Fire of Pittsburgh. Should the proposition be approved the Humboldt will increase its capital to $300,000, with a surplus of over $300,000.

Brokers throughout the United States who have been patronizing the **Angove Syndicate of Underwriters at Lloyds**, London, will be interested to learn of the financial failure of four of the eight members in the syndicate. The concern had been cutting rates for some time.

The success of a suit to recover **fire insurance indemnity at Hot Springs, Ark.**, depends on whether those who lost personal effects in a hotel fire were "guests" of the hotel or only "boarders." The court has held that guests may recover but boarders may not.

The statute in Alabama providing that the proceeds of a life insurance policy shall be **paid only to the beneficiary** named, **regardless of the claims of creditors** of the deceased, has been overthrown by the highest court of that State, which declares it unconstitutional.

The unpaid claims having been found to be more than at first supposed, the offer of the National Provincial Insurance Corporation of London to acquire the **Law Car and General of London** has been recalled. An amended offer may be made later.

The name of the **National Life of San Diego, Cal.**, has been changed to the California National Life, at the suggestion of the Insurance Commissioner, in order to prevent confusion

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with the National Life of Vermont and the National Life of the U. S. A.

The Florida Life of Jacksonville has **merged** with the American Life of Tampa, Fla. There will be no official changes in the Florida Life on account of the merger. It gives the company $1,500,000 of insurance in force and $500,000 of assets.

Lectures in the insurance courses conducted by the **Insurance Institute of Hartford** begin on December 8 and continue to May 25 next. The course corresponds with that of the Insurance Institute of America, announced in this paper last week.

The Syracuse, N. Y., Chamber of Commerce has sent a letter of thanks to Professor Woolson, of the National Board of Fire Underwriters, for his assistance and advice concerning the compilation of the **new building code for Syracuse.**

The **Monarch Fire insurance company** is proposed to be organized in Philadelphia by the Monarch Securities Company, of which Charles S. Barker, of Brooklyn, is the promoter. Mr. Barker wishes to be president of the new company.

By a typographical error it was announced last week that registration for the course of study and examinations proposed by the **Insurance Institute of America** would close "January 15, 1910," which should, of course, have read "1911."

A New York insurance broker is under arrest at Philadelphia on complaint of a Philadelphia man, who says his insurance premium of $5,280.30 **was to have been rebated** to $325. The policy was for $100,000 in the Travelers.

The expected announcement of the appointment of Charles R. Street to the position of secretary of the **Fidelity-Phenix** in charge of the **Western department** at Chicago, to succeed J. R. Lenahan, resigned, was made this week.

There being a contest for control of the **Citizens National Life of Louisville,** four small stockholders have applied for a receiver for that company and the Citizens Life. Charges of excessive promotion fees are made.

The **new Western department of the Ætna** of Hartford went into official existence on November 23 at Chicago, where Manager Gallagher is receiving dailies from 5,000 agents located throughout seventeen States.

Reinsurance in non-admitted companies will not be deducted in figuring the **reinsurance reserve for Iowa fire insurance companies** by the Insurance Department of that State after the end of the present year.

The **Maryland Life** has elected Douglas H. Rose, its vice-president and secretary, to be **president** in place of the late William H. Blackford, whose son, William S. Blackford, was continued as vice president.

A special **dividend** of $5 per share on the capital stock has been declared **by the Hartford Fire** to stockholders of record on December 5. as one of the special observances of the centennial of the company.

Since the death of John J. Raleigh, president of the **St. Louis Board of Life Underwriters,** a movement has been started to amalgamate the membership with the National Association of Life Underwriters.

The Governor of Ohio has appoined **E. P. Marshall,** vice president of the Union Central Life, to be a representative of the State of Ohio at the rivers and harbors meeting in Washington in December.

The **Iowa Mutual Tornado Insurance Association** has $150,000,000 at risk in the State, with an increase of nearly $10,000,000 during the year, and got through the year without making an assessment.

The last available report of the **Indiana State Fire,** an Indianapolis mutual which has gone into the hands of a receiver, is as of August 31, showing assets of $11,038 and liabilities of $25,985.

Endowment and deferred policies issued by the **New York Life** aggregating $2,489,656.44 will mature and be paid during the month of December by that company to 966 policyholders.

The newly elected Governor of **Texas** has announced that he will appoint R. J. Gill, of Morrall, Tex., **Commissioner of Insurance and Banking** to succeed the present incumbent.

The city of **San Francisco** is said to be considering making **insurance of buildings** in that city compulsory, the city to issue the insurance, and collect therefor by way of taxes.

The examination of the **Citizens National Life of Louisville,** which was temporarily discontinued some time ago, has been resumed, with Actuary J. F. Roche again in charge.

The **Gresham Fire and Accident** insurance company, Ltd., of London, will write legitimate surplus lines in the United States at tariff rates through Fred S. James & Co.

The new docks, sheds and warehouses of the Port Arthur Route at Port Arthur are being **equipped with automatic sprinklers** by the General Fire Extinguisher Company.

The **McKeesport, Pa., fire hazard** is also high, due to weak construction and lack of fire fighting facilities, according to the report of the National Board engineers.

The Liverpool and London and Globe is first on the ground with the distribution of **1911 calendars.** They are, as usual, easily read, and therefore useful.

The **United States Annuity and Life** of Chicago is re-entering Arkansas, and has appointed C. C. Thompson & Co., of Little Rock, as State agents.

Decision on the application for a receiver for the old **Dutchess insurance company** of Poughkeepsie was reserved **by Judge** Tompkins Thursday.

The **Dallas,** Tex., **water mains** are reserved for use in cases of fire, and consumers are being served by water wagons.

The **Boston insurance library** trustees have voted to inaugurate a system of lending books from the library.

The entire business of the **Royal Victoria Life** of Montreal has been reinsured by the Sun Life of Canada.

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Including November 12 the **Prudential** had **paid in claims** during 1910 the sum of $15,434,856.

Numerous **fires in Iowa** of late have been traced to the use of crude oil for cooking purposes.

The **Franklin Fire of Philadelphia** is being examined.

The **Continental** has received its Canadian license.

Personal.

AGENCY APPOINTMENTS.

National of Paris: Ten Broeck, Morse & Co., general agents for New York suburban territory.

Commonwealth Fire of New York: Charlton P. Rogers, special agent in Indiana and Kentucky.

Granite State Fire of New Hampshire: Leonard M. Addis, agent for Philadelphia and vicinity.

Mr. George H. Youngerman has been appointed assistant manager by McCary, Howell & Co., Chicago general agents for the Penn Mutual Life. Mr. Youngerman was with the George Pick agency of the Mutual Benefit for the past five years, and before that was for eight years with the New York Life. The Corn Exchange Bank Building has arranged with other tenants to furnish additional space for the Penn Mutual agency, and in consequence it will not remove to the Harris Trust Building, as had been arranged.

Mr. Alexander C. Adams, manager for the Ætna for Boston, and the metropolitan district, died suddenly at his home in the Hotel Touraine, Boston, the evening of Thanksgiving Day, of heart failure. He has not been in the best of health since his return from a trip around the world last year, but his death was entirely unexpected. He was sixty-three years of age, and had been actively interested in insurance since 1865. He was of a very refined character, and was a thorough gentleman.

Mr. R. H. Hudson, the oldest active insurance man in Salt Lake City, died November 18, aged seventy-nine years. At one time he was a prominent steamship owner on the Mississippi and Ohio rivers, and in the '60s was a conspicuous factor in the salt business. A few years later he was a Democratic candidate for Congress from Ohio. He was agent for the English-American Underwriters at the time of his death.

Mr. H. A. Peter has been appointed general agent for the National Casualty of Detroit in western Washington, with headquarters at Seattle, while A. C. Covington, of Spokane, has eastern Washington, both reporting to the home office.

Mr. Charles D. Gailbraith, junior member of the firm of Borland, Jones & Gailbraith, Pacific Coast managers at San Francisco for the United States Fidelity and Guaranty, died suddenly at Los Angeles, November 16.

Mr. George E. Hill, of Boston, will on December 1 succeed O. E. Cook, now with the Fidelity-Phenix, as special agent of the Citizens of Missouri for Maine, Massachusetts, Rhode Island and Connecticut.

Mr. John M. Hopkins has resigned as special agent of the Springfield in the Rocky Mountain field, to become State agent in Ohio for the Scottish Union and National, and the State of England.

Mr. W. D. McGill has made a connection with the W. L. Clark Company, one of the well known local agency and brokerage offices in Pittsburgh, and will devote his time exclusively to the business.

Mr. William Sohmer, who was elected State Comptroller of New York at the late election, is city agent of the German Alliance, and does an extensive fire insurance brokerage business.

Mr. George M. Spiegel has resigned as agent for the Northwestern Mutual Life at Indianapolis, to become general agent for the life department of the Pacific Mutual for central Indiana.

Mr. Robertson G. Hunter has resigned as secretary and actuary of the Provident Savings Life, to become associate actuary of the Germania Life, taking effect December 15.

Mr. Nicholas W. Muller, formerly secretary of the Casualty Company of America, has made a connection with the insurance brokerage firm of Schiff, Terhune & Co.

Mr. A. R. Monroe, president of the Fire Underwriters' Association of the Northwest, has called a meeting of the board of directors for December 9.

Mr. Henry Zweig has resigned as general agent in Texas for the Farmers and Merchants, and will continue as State agent for the Western of Pittsburg.

Mr. I. E. Sylvester, a well known insurance man at Cooperstown, N. Y., died November 27, aged seventy-seven years.

Casualty and Surety Insurance.

Unusual accidents of the week include the following: A Bronx lad of seventeen years was beaten so severely on Thanksgiving night by four men, who thought he threw something at them, that he died two days later.

A Columbus man who was elected president of a company to succeed a man who was killed in an auto accident five years ago, died this week from the effects of the same accident.

The explosion of a liniment which a Pittsburgh man was using for rheumatics near an open fire severely burned him.

A Burlington, N. J., man mistook a clean plate glass window for an open door and walked through it, sustaining injuries which may prove fatal.

A Brooklyn women nearly bled to death when a dentist's drill slipped from his grasp and penetrated her tongue.

A Brooklyn thirteen-year-old resented a scolding and threw a penholder at his father, puncturing his nose.

A Pittsburgh safe expert was injured when nitro-glycerine that had been placed in the cracks of the door by burglars exploded. The expert "didn't-know-it-was-loaded."

A California physician fainted while driving his auto, and awoke to find himself seriously injured and his machine wrecked in a ditch.

At Dallas, Tex., a girl's clothing was fired by the exhaust of a passing motorcycle, and she nearly burned to death.

A Providence, R. I., policeman was maimed by the armored clothing of a maniac, who had placed hundreds of tacks in his clothes with points outward.

At Hempstead, L. I., a motorcyclist was crippled for life by a collision with an auto.

A woman from Ridgefield, N. J., was shot dead by a stray bullet while she stood chatting with a friend in Thirty-eighth street, New York.

The semi-annual convention of the **Detroit Conference** will be held at the Cadillac Hotel, Detroit, Mich., Thursday and Friday of next week, December 8 and 9. The program includes, besides the reports of the officers and committees, the presentation and discussion of the following addresses: "Conservation," by C. H. Brackett, president of the Hoosier Casualty of Indianapolis; "Co-operation in Claim Adjustment," by W. A. Orr, secretary of the Woodmen's Casualty of Springfield, Ill.; "The Golden Rule," by R. R. Koch, president of the American Assurance of Philadelphia; "Agency Problems," by Frank D. Davy, agency manager of the Continental Casualty of Chicago, and an address by ex-Insurance Commissioner Barry of Michigan. The following will be the topics for general discussion: "What is the best method of overcoming the difficulty of securing new agents?" "What is the best method of holding agents under existing conditions." "What precautions should be taken in our underwriting?" "How best hold business after it is written?" "Can good results be obtained by a salaried field man going into a general agency to secure sub-agents and new business?" "How should agents be compensated, and to what limit?" "What is the best method of handling premium collections?" "Do industrial life insurance agents make good health and accident agents?" "What are the worst enemies of the health and accident business." "To what extent should final proof of claim be required?"

The corporate name of the **United Surety of Baltimore** is to be changed to the American Bankers Assurance Company, and application for permission to do so will be made at once to the Maryland Insurance Department. The capital stock is to be increased from $250,000 to $600,000. Control of the company has passed to the hands of St. Louis capitalists, among whom are H. M. Rubey, president of the American Bankers of St. Louis and former president of the Missouri Bankers' Association and head of the Rubey Trust of St. Louis; A. C. Landon, vice president of the company; John D. Christensen, its attorney; John L. V. Stevens, ex-Governor of Missouri, and Judge Thomas, president of the Federal Trust Company of that city. Messrs. Landon and Christensen have been elected directors of the American Bankers Assurance Company, formerly the United Surety Company. The American Bankers Assurance Company of St. Louis was organized about twelve months ago by the same capitalists who are in

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control of the United Surety Company. The St. Louis company holds two charters—one secured in Missouri and the other in Delaware.

Only two companies are now out of the **Board of Burglary Underwriters,** the New Jersey Fidelity and Plate Glass having joined this week. The new executive committee is as follows: P. Walter Koch, of the Empire State Surety Company; Frederick J. Walters, of the London Guarantee and Accident Company; A. R. Sexton, of the Ætna Indemnity Company, and Hugh Nelson, of the Pacific Coast Casualty Company. Norman R. Moray, of the Great Eastern Casualty, was elected vice president. A resolution restricting brokerage commissions to 30 per cent. was adopted. Brokerage firms having outstanding commission contracts with companies will not be affected by the resolution.

Dissatisfied stockholders in the proposed **Enterprise Casualty of Philadelphia** asked for a receivership for the concern, which has been denied, the court stating that it hoped that the affairs of the company might be wound up without the expense of a receiver. The complainants declared they had been induced to purchase stock in the company through misrepresentation.

The **Casualty Company of America** is to amend its charter so as to permit it to transact fidelity and surety business, as well as to write insurance against burglary, automobile property damage and other miscellaneous lines. The capital stock is to be increased from $500,000 to $750,000, the new stock to be sold at $150, so as to provide additional surplus of $125,000.

The **Massachusetts Accident,** which is twenty-seven years old, will celebrate the anniversary at a convention of officers and agents at Boston December 7-8. President G. Leonard McNeill has prepared a program of business and recreation that will be most helpful and attractive. The concluding feature of the convention will be a banquet.

The New York and Massachusetts insurance departments have ruled that the **beneficiary clause in accident policies** is illegal and must be eliminated in all policies after January 1, 1911. Such benefits may be conferred, however, thereafter by means of a special rider, for which an extra premium must be charged.

The value of **frills on a hobble skirt** is evident from the following conversation between two prominent insurance men of Oshkosh, Wis.:

I see your wife is wearing a hobble skirt.

Yes, but don't overlook the fact that I am carrying an accident policy which covers her also, and will bring $10,000 in case anything fatal happens to her.

Applications to organize **new national banks** were approved this week as follows: First National Bank of Los Banos, Cal., capital $25,000; First National Bank of Hynes, Cal., capital $25,000; Hillsboro National Bank, Hillsboro, Ore., capital $60,000; First National Bank of Genoa, N. Y., capital $25,000.

The **Guarantee Company of North America,** which is the original and claims to be the largest purely guarantee company on this continent, has issued a list of defaults made good by the company, which gives a total of $2,254,252. The circular says that no claims are in suit.

The **Mid-Continent Casualty of St. Louis,** which has been occupied with organization in a quiet, sane manner for some time, is about ready to ask for a license. James Y. Player is president, and the St. Louis investors expect the company to do a profitable business.

The **Ætna Indemnity** will withdraw from Oklahoma on January 1 on account of excessive license fees. It has reinsured its Oklahoma business with the United Surety. The Ætna had already left Florida, and is soon to leave Louisiana for similar reasons.

By a treaty just ratified between the two countries **British workmen in France** and **French workmen in Great Britain** share in the benefits of the employers' liability or workmen's compensation laws of the respective countries.

The next session of the South Dakota Legislature will be asked to so **change the casualty laws** of that State as to encourage the admission of reliable companies now kept out on account of the special deposit requirements.

From California comes the news that **Robert B. Armstrong,** formerly of the Casualty Company of America, the Philadelphia Casualty and the Consolidated Casualty, has purchased an evening newspaper at Pasadena, Cal.

A **general meeting of Lloyds agents** at Chicago is called for next Tuesday, at which time it is expected the new regular stock automobile rates will be adopted, with a differential of 25 cents in favor of Lloyds.

The **Home Casualty of Omaha** has elected E. R. Dudek, of Clarkson, Neb., president to succeed Chauncey Abbott, resigned. W. J. Keane was elected secretary and treasurer in place of W. Wells Abbott.

The **New Jersey** Supreme Court has decided this week that the **employers' liability** law of the State does not apply to employees of street railroad companies.

Omaha druggists have been getting their surety bonds for $5 instead of the regular rate of $25, **owing to competition.** The Royal Indemnity of Omaha issued them.

The **Commerce Trust Company** of Kansas City, Mo., at its own request, is no longer authorized to act as sole surety on Federal bonds.

The **American Surety** has appointed R. D. Weldon to be **Pacific Coast manager,** succeeding Harry W. Lobb, resigned.

The settlement of **the glaziers' strike** in New York city has enabled the plate glass companies to resume replacements.

Obituary.

Death of President Seward of the Fidelity and Casualty Company.

Widespread regret pervaded the community on Monday on the announcement of the death of George F. Seward, one of the best known citizens of New York, dean of the casualty insurance business and president of the Fidelity and Casualty Company.

Mr. Seward had been in indifferent health for several months, but he continued his activities up to the beginning of October, and his death so soon was not expected. The immediate cause was arterio-sclerosis.

He was a nephew of William H. Seward, the statesman, and was born at Florida, N. Y., November 8, 1840. He was educated

(*Continued on page 457.*)

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The Weekly Underwriter:

MONTHLY FIRE INSURANCE SUPPLEMENT.

NEW YORK, DECEMBER 3, 1910.

FLOUR MILLS.

A Review of the Processes and Fire Hazards to Be Found in the Modern Flour Mill—Suggestions for Fire Prevention and Protection.

By Clark F. Hinman, Inspector with the Ohio Inspection Bureau, Columbus, Ohio.

(Concluded from the November Supplement.)

PURIFIERS.

Upon the systematic grading and purification of the middlings before they go to the smooth rollers for reduction depends the fine art of flour making, for it is from the middlings, rich in gluten, that the best grades of flour are secured. The province of the purifier is to remove the impurities and fine material, and notably the bran particles, from granular product resulting from the gradual reduction of the wheat berry. Working by specific gravity and adjustable to middlings and impurities of varying degrees of fineness, it entirely eliminates the greater part of foreign or discoloring substances.

The purifier contains the following elements: An upward air current through the covering of a reciprocating sieve clothed with silk of progressively coarser mesh from head to tail; an enclosed air space above the sieve, divided by transverse partitions into separate compartments, having practically no communication with each other, and each opening into a chamber of an exhaust fan through an adjustable valve so placed as to permit the regulation of the strength of the air current through each compartment separately; a series of dust settling chambers or testing drawers corresponding in number to the above mentioned compartments, and a brushing device automatically operated, and working against the under side of the sieve clothing.

The hazard of purifiers is so very small that it may be regarded as negligible. Having no fast revolving parts there is but little danger of fire from friction; process hazards are so small as to be unworthy of consideration.

BRAN DUSTERS.

After the bran has been scalped out of the stock that comes from the last break it is sent to bran dusters for the purpose of shaking loose all adhering portions of the gluten coat in order that none of this valuable constituent of flour be wasted.

Since parts of the bran duster move at considerable speed there is always a friction hazard in these machines, but if proper bearings are provided the hazard is reduced to a minimum.

DUST EXPLOSIONS AND DUST COLLECTORS.

Flour and wheat dust when in a settled state are comparatively harmless, except that they aid in the clogging of shafting and heating of bearings, but when mixed with air in the proper proportions they become highly explosive. Of the two, wheat dust is the more dangerous when exposed to flames, especially if of a considerable age, as old dust seems to undergo a chemical change whereby it acquires explosive properties not possessed by new dust. It is certain that unless the dust from cleaning and milling machinery is carefully collected and disposed of a grave dust explosion hazard is engendered.

With the introduction of the roller process of milling, with its numerous machines for reductions, there came a great increase in flour dust. Purifying and aspirating machinery, distinguished by the employment of air in rapid motion, keeps vast quantities of fine dust constantly in suspension in the air. At first attempts were made to blow this dust into rooms provided for the purpose, but this process was more or less ineffectual, much dust escaping removal or finding its way back into the mill. When, after a time, a number of disastrous explosions had occurred in mills employing improved methods, it was discovered that fine flour dust was the cause. Efforts were at once made to replace dust-rooms by some better device, these efforts resulting in the machine known as the dust collector. This machine has been so valuable in disposing of dust that dust explosions are no longer frequent in flour mills and elevators, and the air of the best equipped mills is so free from flying particles that the visitor to them is inevitably told "that the miller has to buy a white hat."

DUST COLLECTOR.

Two general types of dust collectors are found in flour mills and elevators—the tubular and the cyclone. Of these two types the tubular is the more commonly used in flour mills, the cyclone being best adapted to cleaning machinery found in elevators. The tubular type of dust collector may be found in two forms, viz., stationary, or upright, and revolving. The revolving tubular dust collector is the one usually found in flour mills. It consists of a cylinder with inner and outer ribs, around which flannel is wound from one piece, so that when complete there is an air space the width of each rib between two flannel surfaces. The dust laden air is drawn into the machine by suction and out through the cloth, leaving the dust behind. The cylinder is revolved slowly, rib by rib, by a ratchet, and as each rib reaches a point directly over the centre of the bottom of the collector it is tapped lightly by a knocker, which causes the dust to drop into a conveyor, which carries it away from the machine. A back draft or reverse current of air is applied to that portion of the cloth being cleaned, which facilitates the removal of the dust. Some revolving collectors instead of using knockers to shake the dust loose from the cloth employ a rotating cleaner, made of leather whippers or fingers, which move in and out of the spaces between the filtering pockets or ribs. The stationary tubular dust collector is generally suspended from the ceiling and operated on the same principle as the revolving tubular, the cloth tubes being cleaned either by means of a knocker or a traveling frame with cross strips running in either direction between the rows of tubes. The cyclone dust collector is composed of a conical casing with a dust outlet below and an air outlet above. The dust laden air is blown into the collector, where it moves about in a vertical whirl, deflectors placed at certain angles overcoming a back pressure. The dust, being heavier than air, falls to the bottom of the cone, while the air exhausts out of the top of the collector. Sometimes in large grain elevators a dust collecting system is installed to collect dust from the cleaning machines, the cyclone being placed on top of the boiler house with discharge leading to boilers. This kind of an arrangement is hazardous unless provided with a swing damper cut-off, for when the fan stops sparks are drawn by a back pressure into the cyclone and through the pipes to the machines, where they may smolder for hours before breaking into a flame.

Dust collectors are attached to cleaning machines, purifiers and sometimes to suctions from rolls and elevators. The dust from collectors connected to grain cleaners is usually discharged into feed bins, but sometimes cyclone dust collectors gather the dust from the receiving separators and discharge it into the boilers as described above. The dust from collectors attached to purifiers is usually redressed and passed to low grade flour bins.

FEED ROLLS AND MILLS.

In many of the smaller mills where feed grinding is done oftentimes the preparation of feed is such a considerable item that flour making is a minor feature. Combination flour and feed mills or custom grinding plants, commonly known as grist mills, may be equipped with a complete line of feed grinding machinery, but the ordinary flour mill possesses only one or two feed mills.

Feed rolls or roller mills for the crushing or grinding of all kinds of grains, such as barley, rye and wheat, are similar to flour roller mills, both in construction and operation. Fewer rolls set more closely together are employed, making the process of grinding more rapid and shorter.

Buhr (or burr) and attrition mills are machines employed for the rough grinding of corn and cobs, shelled corn, oats, oat hulls,

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barley screenings, buckwheat hulls, wheat and corn bran, and, in fact, anything which can be ground up into feed. These mills, instead of employing rollers, have roughened stones or corrugated steel plates, which turn upon each other and reduce the stock to feed, operating much the same as the primitive flour mill.

Other machines, such as corn crackers, corn ear crushers, hominy mills, etc., may sometimes be found in flour mills.

All of the above feed grinding machines are considered to be more hazardous than roller mills, because the grinding of corn, screenings, etc., is a more violent process, fewer rolls being employed, since there is no need of gradual reductions of the stock as in flour making. The buhr and attrition mills are most hazardous of feed grinding machinery, as metal and other hard substances oftentimes get into the machine and cause a dust explosion or fire. A magnetic separator should be placed ahead of these machines.

CONVEYORS.

There are five general types of conveyors used in mills and elevators—drag, screw, pan, pneumatic and belt.

Fewer conveyors are used in flour mills than in elevators, as most of the handling of stock in mills is from one level to another and done by elevators. Those that are found are generally of the screw and drag type, and usually of no great length. Several milling machines, such as purifiers, have small conveyors in them to transfer the stock from one end of the machine to the other. Mills with elevators attached generally have a belt conveyor which transfers the partially cleaned grain to the mill. In elevators conveyors are used extensively for the purpose of transferring grain from one bin to another, from cleaning house to tanks, and from tank to tank.

The drag conveyor is a primitive type, the grain being dragged along a chute by means of projections on a chain. The pan conveyor is an endless chain provided with shallow pans or buckets. In the screw conveyor the grain is pushed along by helical planes arranged about an axis in the form of a screw. Pneumatic conveyors accomplish the transmission of grain or stock by means of air blasts, partial vacuums and valve arrangements. In belt conveyors the grain is transferred by being carried on the horizontal portion of a belt, 15 inches to 3 feet wide and moving from 300 to 900 feet a minute. The belt is troughed at the point where the grain drops on it by passing it between pairs of rollers inclined to each other, after which it runs over flat rollers.

The hazards connected with the operation of conveyors are not numerous or large. They stir up the grain and free any dust in it; sometimes cause the bearings of rollers to become overheated, and those of the tight type, as the screw conveyor, when choked up, unless provided with release covers which automatically allow the stock to be diverted, pack the same and create considerable friction, which, if allowed to continue, may cause a fire. Screw, drag and apron conveyors are usually enclosed in wooden chutes, which serve to feed and spread flames. Belt conveyors, which are operated to transfer grain from one building to another, are generally located in covered wooden bridges, which afford avenues for drafts and transmit mutual exposures to buildings which they connect.

ELEVATORS.

Elevators for lifting grain or ground stock from a lower to a higher level consist of a head, two legs, or chutes, and a boot with a pulley in the head and another in the boot over which runs a leather, rubber or canvas belt to which are attached the grain cups. Sometimes the two legs are built as one, the up and down portions of the belt traveling in the same channel instead of in separate chutes. Elevators with two legs usually have strut boards underneath the head pulleys which enclose the driving mechanism. If this strut board is inclined so that the grain and dust dropping upon it may fall into the up leg, the elevator is said to have a hoppered head; if the strut board is horizontal, the elevator is spoken of as having an unhoppered head. Inclining the strut board to both legs, making it appear like a peaked roof, is undesirable, since part of the refuse will slide into the down leg. A self dumping, hinged and counterbalanced strut board is not desirable, as it is found that the mechanism gets out of order. Elevator heads and boots are generally so arranged that they may be cleaned by hand. The head pulley drives the belt, the pulley in the boot acting somewhat like an idler. Elevator heads, legs and boots are generally made of wood, but chain elevators with metal casings are sometimes used.

Elevators constitute one of the greatest hazards of mills and grain elevators. On account of the grain handled being dustier the elevator is a more serious hazard in elevator buildings than in flour mills, although many mills of smaller size receive uncleaned grain from wagons and cars and perform all the necessary cleaning within the mill. Unless strut boards are self cleaning (hoppered) a pile of stray grain and dust accumulates on the horizontal surface until it touches the pulley and is finally ignited, being fired either spontaneously or by heated bearings. The friction of bearings, pulleys and belt generates considerable heat, but ordinarily no harm results. Quite frequently, however, a choke-up occurs, and the belt ceases to move; the pulley at the head, being positive in action, continues to rotate until, if the choke-up is not noticed, the belt burns in two and the burning ends drop down into the legs and start a fire. Chokes occur in two ways: from a clogging in the up leg and from a clogging in the down leg.

As elevators extend from the bottom to the top of the mill or elevator, they act like flues in carrying fires originating in them to all floors of the building.

GRAIN DRYERS.

The demand for artificially dried grain for shipment has led to the installation of various drying devices in elevators, and occasionally such devices are placed in flour mills for the purpose of thoroughly drawing all moisture out of the wheat prior to storage or being ground.

The general forms of dryers may be classified as direct heated rotaries, steam heated rotaries and stationary dryers heated by steam coils or by hot air from furnaces or air blown through steam coils. Direct heated rotaries are no longer commonly used on account of the great hazard connected with them, and so no specific treatment is necessary. Steam heated rotaries, consisting of wooden or iron drums, slightly inclined to the horizontal so that the grain is tumbled over and over from one end to the other, are frequently met with in flour mills and are generally safe, nothing more than a steam hazard being involved.

The commonest grain dryer used in connection with elevators and with some of the larger mills is the stationary type. These dryers are generally independent of the mill or elevator. A stationary dryer in which are arranged steam pipes upon which grain rests temporarily, and another which is practically a cooker, such as is found in oatmeal mills, consisting of a series of steam heated pans upon which the grain drops successively, being stirred about and moved along by paddles, are sometimes found. The first of these dryers, unless constructed throughout of metal or other incombustible materials, is very hazardous, and the latter, to be desirable, should be as near incombustible as possible, with steam pipes clear and so arranged as to be easily accessible for cleaning and inspection.

The stationary dryer held in greatest favor by both users and insurance companies is the one in which the grain is at rest while hot air from steam coils is blown through it. There are several types of blower and coil dryers, but the principle of drying by blowing air through grain arranged in vertical columns or on slanting shelves is about the same in all, the principal points of difference lying in the mechanical arrangement and materials used.

The hazards of grain dryers vary greatly according to the type and arrangement, but those given below are generally present, being impossible of elimination. The use of blowers somewhat increases the danger of fire, fans driven at high speed being susceptible to hot bearings, and hot air forced through small passages increasing the carbonizing effect. Forced draft causes the circulation and accumulation of dirt and grain dust and increases the danger of dust explosion. A steam pipe hazard, not large if properly guarded, is also engendered. If apparatus is in a wooden building the drying out and preparation of surrounding woodwork for a rapid spread of fire is brought about. A power hazard incidental to the operation of apparatus is also present.

GRAIN BLEACHERS.

The fumes of burning sulphur directed upon grain serve to bleach it. This principle is employed in grain bleachers which ordinarily are not especially hazardous, unless the sulphur burning furnace is located too near combustible materials. Those who best understand the art of bleaching claim that sulphur flour burns through a distance of 25 feet, which means that the fumes are not all converted into sulphur gas until they have traveled that distance from the furnace. It is also claimed that the best results are obtained when the fumes do not enter the bleacher too hot, so that if the arrangement is such as to secure good bleaching there will be no serious hazard if sufficient space to elevator or mill is maintained.

FLOUR BLEACHERS.

A process of passing flour through air which has been subjected to the action of an electric arc for the purpose of making it whiter has been used considerably in recent years in connection with flour mills. The gas and bleaching medium produced by the

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disruptive discharge of electricity on air is not inflammable or explosive, so that the only hazard in conjunction with this process is purely an electrical one. However, this is considerable unless the installation is made in strict accordance with the requirements of the national electrical code for apparatus installed where there is flying dust and an existing dust explosion hazard.

SPONTANEOUS COMBUSTION.

A large proportion of the fires caused by special hazards in flour mills and elevators are attributed to spontaneous combustion. Probably a number of fires not caused by spontaneous combustion are so classified because it is not known to what else to attribute them. However, it is certain that a spontaneous combustion hazard of considerable magnitude will always exist in grain handling and working plants, and too great care cannot be exercised in connection with the storage of raw materials and finished products and the prevention of dirt and dust accumulations. Green or improperly dried grain, subjected to pressure, dampened feed stock, screenings, gluten feed stock, and grain and flour dust, mixed with oil from bearings, have all been known to produce sufficient heat within themselves to cause destructive fires.

MEDITERRANEAN MOTH.

The Mediterranean or Hungarian moth, a pest introduced into this country from foreign mills, is one of the miller's chief woes. The female moth or fly lays from 200 to 250 eggs, which hatch out in nine weeks larvæ or worms which become very active, spinning a fine silken thread in flour and over bolting cloth, causing conveyors to become choked up because of stock being held together in lumps by the fine threads and bolting machinery to be inoperative because of the cloth in same being rendered useless. This pest in itself causes no fires, nor are the many means taken to exterminate it especially hazardous, although several poisonous gases diffused throughout the mill, after it has been tightly closed up, for the purpose of killing the moth are highly explosive. The great menace to the insurance fraternity interested in flour mills which this pest affords is more of a moral than a physical hazard. The moth breeds rapidly, and is very hard to exterminate once it takes possession of a mill, especially if the mill is old and of a low order of construction. The miller, finding it impossible or too expensive to rid his mill of the pest, and being unable to dispose of a contaminated product, is quite likely to become so "careless" that a disastrous fire results.

PROTECTION.

The majority of flour mills are poorly provided with both inside and outside protection. The larger mills, of course, are generally equipped with as much inside protective apparatus as is practicable, but the greater proportion of mills are of the country type, and these, as a rule, are very poorly protected.

Sprinkler equipments are installed in many of the larger mills, but because of the nature of the milling risk sprinklers are not as efficient in the protection of flour mills as they are in safeguarding special hazard risks in general. Sprinkler apparatus, very effective in the general class of risk, is not of great value as an extinguishing agent in flour mills, because of the poor conditions which prevail for its installation. The many vertical openings, due to spouting, elevator legs, belt holes, passenger belt elevators, stairways, etc., the high combustibility of mills because of inferior construction and dust covered walls and ceilings, the presence of air drafts and large floor areas, present conditions which render flour mills impossible of full and complete sprinkler protection. Dust explosions constitute a grave menace to sprinkler equipments, as it is a common experience for the flames to explode dust which shatters the system so that it is inoperative before the sprinklers have an opportunity to extinguish the fire. When sprinkler systems are installed in flour mills, it is important that sprinklers be placed in all elevator heads, and as close together as possible without interfering with the operation of one another.

Standpipe and hose systems, when properly installed and maintained, are considered to be very good protection in milling risks. They may generally be found in all mills located in towns which possess water works, but installations are generally below standard and hose is not regularly tested and kept in good condition.

Chemical extinguishers are seldom found in flour mills, casks and pails being used instead. In fact, the cask and pail installation is the miller's greatest protection against fire, and nearly all mills have them. As a whole the installations are good and well maintained.

It is almost impossible to find a country mill that employs a watchman who is under the supervision of a clock. The majority of the larger mills, of course, have standard watchman's clock services, but the smaller mills usually have no one who patrols the premises at night, and when a watchman is employed no check is put upon him.

Mills situated in cities and in the larger villages have fairly good outside protection, but a greater part of milling risks are located in towns of such a size that the public protection is very inferior or altogether lacking.

Whitewash and fireproof paint are quite commonly used upon the walls and ceilings of mills, and serve as excellent fire retardents.

ADMINISTRATION.

The management of a mill is a very important consideration in determining whether it is a good fire risk. Perhaps no class of risk affords a manager a better opportunity to display his ability to so administer affairs as to reduce fire hazards to a minimum than does the flour mill. At best a mill is bound to be a dusty place, and unless great care is exercised in keeping the mill swept down, the bearings well oiled and free from dirt, etc., a grave additional hazard will be engendered. In mills of a capacity of 200 barrels per day or over one man can find steady employment oiling and cleaning bearings, sweeping, looking after fire appliances and acting as a general caretaker, and the money put into his wages should prove to be one of the best investments which a miller could make. The larger mills are generally under able managements, but the country mills, while nearly always under the personal direction of the owners, as a general rule, are not well managed. Operators of the smaller mills, although they have a great deal at stake, either through indifference or ignorance, are generally very careless managers, and allow conditions of both buildings and premises to become so poor that oftentimes an additional charge is necessary in figuring insurance estimates.

Because of the dust explosion and spontaneous combustion hazards which exist in flour mills, dust and dirt should not be allowed to accumulate; machinery should not be too closely crowded together; "no smoking" signs should be posted; bearings should be given careful attention; fire appliances should be well maintained, and waste cans should be provided wherever oily waste is used.

FIRE RECORDS.

The fire losses of flour mills are so very high that this kind of business is not eagerly sought after by the insurance companies in general, and then only at rates which at first glance appear exorbitant. The majority of flour mills are carried by mutual insurance companies.

The main reason why flour mills burn, I would say, are: 1. Many internal hazards. 2. High combustibility, because of the large percentage of frame construction and interior conditions conducive to a rapid spread of flames. 3. Inadequate protection, because of the large proportion of flour mills being located in small towns. 4. Moral hazards. The internal hazards, both common and special, are always considerable in milling risks, and these are usually poorly guarded. Once the mill is afire, because of the dust covered walls, combustibility of contents and low order of construction, being usually frame, it generally makes a quick burning fire and a total loss. The inside protection of flour mills is usually inferior, and outside protection as a whole is very poor, because of the fact that a large percentage of mills are necessarily located in small towns which do not possess adequate apparatus and firefighting facilities to cope with a rapidly burning three or four story frame building.

The writer, after a study of the fire records of flour mills and numerous conversations with millers, has come to the conclusion that this class of business carries a large moral hazard with it, and these views are substantiated by a letter written in 1907 by Vice President Correa of the Home insurance company of New York to its representatives. This letter says in part: "We have been for some time considering and investigating the matter of insurance on flour mills from a standpoint, first, of physical hazard, and, second, of moral hazard. On the first score it is quite apparent to us that these mills represent an excessive measure of damageability in the event of fire, which is evident from the fact that for a period of years the average of loss to insurance in the case of policies involved has been some 44 per cent. for flour mills, running down to seven-tenths of 1 per cent. for cotton mills; therefore, from that standpoint, we have to consider the probability of total loss in every case where the fire gets appreciably beyond a slight blaze such as can be handled by a bucket of water.

"This alone would be a serious matter, but, in addition, we have feared a financial danger, and it has been a question in our minds whether mills in the East and South are able to compete with those in the West. Some days ago, for the purpose of adding to our knowledge on the subject, we asked one of the agencies which makes confidential reports on various subjects to ascertain the relative freight rates between, say, Minneapolis and New

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York on flour in barrels and on grain. To our surprise, we actually found the rate on flour is less per cwt. than for grain. This, you can see, puts the Western mills at a great advantage.

"Then to further follow up the subject, and ascertain whether the flour mill business was thriving in the East and South, we took a list of mills reported burned during the last year or so, and sent an inquiry to the nearest agents to know whether the property had been rebuilt or otherwise. We have some twenty-four answers giving specific information, and in seventeen cases the mill has not been rebuilt, and in seven cases only the business has been continued and the mill replaced. During the last three years our loss ratio on steam flour mills in the south was about 125 per cent. of the premiums. On water power mills and on grist and feed mills the loss ratio is about 50 per cent.

"We are inclined to believe that we ought to get off the large steam mill and to restrict our operations to small grist and feed mills and the small water power mills generally, and to write those only when contiguous to a sufficient grain supply which can be put down at the mill on such terms as will enable it to compete with Western plants, and also to restrict to such mills as have a good local demand for their output."

Below are given the causes of 482 fires occurring in flour mills, covering a ten year period from 1897 to 1907, being taken from the records of the Millers National insurance company:

		Per Cent.
241	Totally destroyed	50.00
241	Partially destroyed	50.00
482		100.00

KIND OF POWER USED.

		Per Cent.
1	Water and gas	.21
1	Steam and electric	.21
2	Steam and gas	.41
3	Gas	.62
4	Electric	.82
30	Water and steam	6.22
79	Water	16.39
362	Steam	75.12
482		100.00

TIME OF DAY FIRES OCCURRED.

		Per Cent.
17	No hour given	3.53
123	Daylight	25.52
342	Night	70.95
482		100.00

CAUSE OF FIRES.

		Per Cent.
210	Unknown	43.57
38	Lightning	7.88
34	Exposure	7.06
24	Spontaneous combustion	4.98
22	Grain cleaners	4.56
19	Incendiary	3.94
18	Hot boxes	3.74
16	Friction in elevator heads or boots	3.33
10	Sparks from locomotives	2.07
10	Sparks from smokestacks	2.07
7	Defective electrical wiring	1.45
7	Friction of metal in rolls	1.45
6	Defective chimneys	1.25
5	Friction in separators	1.03
5	Overheated stacks or breechings	1.03
5	Friction (not otherwise stated)	1.03
4	Overheated stoves	.83
4	Friction of belting	.83
4	Defective boiler settings	.83
3	Explosions of dust	.62
3	Hot eccentrics in bolters	.62
3	Corn shellers	.62
3	Natural gas (fuel)	.62
2	Stacks burning out	.41
2	Explosions of lanterns	.41
2	Tinner's fire pots	.41
1	Break in gas pipe fired by lantern	.21
1	Starting water wheel	.21
1	Sparks in wood pile from engine room	.21
1	Bolting machinery	.21
1	Oily waste	.21
1	Hot step of upright shaft of belting chest	.21
1	Overheated steam pipes	.21
1	Sparks from suction fan	.21
1	Overheated meal dryer	.21
1	Ignition of straw used for fuel	.21
1	Sparks from roman candle	.21
1	Brush machine	.21
1	Careless use of matches	.21
1	Electric motor	.21
1	Lamp upset	.21
1	Slaking lime	.21
482		100.00

OPERATION OF MILLS IN WHICH FIRES OCCURRED.

		Per Cent.
160	In operation when fire occurred	33.20
287	In operation the previous day	59.54
35	Not in operation the previous day	7.26
482		100.00

CLASSIFICATION OF CAUSES.

		Per Cent.
210	Unknown	43.57
131	Common causes	27.18
88	Special hazards	18.25
34	Exposure	7.06
19	Incendiary	3.94
482		100.00

From a study of these fire records it was found that the main causes of fire in flour mills in the order of the numerical strength were as follows: Unknown, lightning, exposure, spontaneous combustion, grain cleaners, incendiarism, hot boxes, friction in elevator heads and boots, sparks from locomotives, sparks from smokestacks, defective electric wiring, friction or metal in rolls, defective chimneys, etc. If these records are not misleading, it would appear as though the worst special hazards to be found in flour mills are: Spontaneous combustion, cleaning machinery, journals and elevators.

While the physical hazards are considerable in any mill, it is only in the smaller mills that physical hazard is so great as to mark such as highly undesirable risks. Since moral hazard, however, is such a large element in the profitable underwriting of flour mills, extreme care should be exercised in writing this class of business, especially the country flour mills.

Gypsum as a Fireproof Material.

By H. G. Perring, Associate M. Am. Society C. E.

Gypsum is a soft mineral, ranking number two in a scale of 10 in Moh's scale of hardness. It has a specific gravity of 2.32 and weighs 2,320 ounces per cubic foot.

Plaster of paris, which is made from gypsum, has a specific gravity of 1.81, but upon setting with water returns to a specific gravity of 2.32.

Delicate experiments have shown that plaster in setting neither contracts nor expands. A mixture of plaster of paris and water was poured into a thin glass bottle of such shape that any expansion would readily crack it. No cracking occurred. Attempt was then made, without success, to run a thin colored liquid between the glass and the plaster, clearly showing that no shrinkage had occurred.

Gypsum is slightly soluble in water, the maximum of solubility being at 100 degrees F., when 1 part of gypsum is dissolved in 368 parts of water.

Analyzing the special features of gypsum plaster in general, which make the material desirable as fireproofing, we find the following points:

1st—Low conductivity of heat.
2d—Low coefficient of expansion, practically zero.
3d—Resistance to water.
4th—Incombustibility.
5th—Lightness.
6th—Strength.
7th—Adaptability or plasticity.
8th—Low cost.

1st. Low heat conductivity is an essential point. In partitions heat is not conducted through to set fire to furnishings, etc., on the opposite side. In the protection of structural steel work the steel is protected from the weakening action of heat. Many fires attain a temperature of 2,000 degrees Fahr. At 1,700 degrees Fahr. a steel column can only bear its own weight. The heat penetrates the plaster at such a slow rate that in the fires of ordinary duration the metal would hardly get warm.

2d. Tests and experiments have failed to indicate any appreciable expansion of plaster under heat action. An inherent

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quality of all other forms of fireproofing is high expansion, resulting in a tendency of the fireproofing to wreck itself either by buckling, or, in the case of material of tile shape, the cracking off of the tile face. This destructive element does not enter into plaster fireproofing.

3d. Materials of a nature that expand under heat readily contract when water is applied to the heated surface. This contraction is often so severe as to cause the bursting of the material. Plaster partially recalcines under high heat action and the subsequent application of water removes this recalcined portion. Plaster being a fairly soft material is eroded to some extent by water at high pressure, but plaster fireproofing generally will withstand severe water application, there being no indication of the bursting so common in other materials.

4th. Any material to be used for fireproofing must not burn or support combustion. Plaster is incombustible.

5th. Lightness is essential in fireproofing, as the fireproofing at best is dead load on a building and plays no part in the support of the structure. Plaster is the highest practical fireproofing material. Its use reduces the load on structural sections and in case of fire makes the building less liable to collapse.

6th. Plaster fireproofing has sufficient strength for use in partitions, column covering, etc., and in fires will stand up reliably against the impact of fire streams.

7th. Plaster is adaptable to any form of construction. Where used in slabs they are readily sawed or cut to fit any desired location, and the use of the material in the plastic state will cover any possible condition of construction.

8th. The desirable fireproofing material is one that combines all the fireproofing features with low cost.

It is only by such a combination that the building of fireproof buildings will be encouraged. Plaster is in itself low of cost. Because of its lightness it reduces the load on a building, thus allowing a lessened amount of structural material.

Its lightness makes it more easily handled. Its adaptability, the ease with which it is sawed, etc., makes the construction of fireproofing easy. Trim can be nailed to plaster fireproofing without the use of wood blocks or grounds, saving the cost thereof and omitting combustible material from the building. Plaster blocks or boards are true and even and reduce the cost of plastering to a minimum.

Tests on gypsum plasters have shown that these have a fire resistance considerably higher than lime plasters, so much higher in fact that the underwriters have taken note of the fact. It is not improbable that additional experiments will demonstrate the value of gypsum plaster so fully that the underwriters will recommend it to the exclusion of lime.

Considering all the good features of gypsum products from a fire retardent standpoint, its low cost and the extent to which the material is found, it is evident that gypsum will play an enormous part in the fireproof construction of the country.

The awakened public will in the future, when they have once realized the enormous fire loss, be willing to pay an increase of 10 per cent. over the cost of flimsy construction to secure the benefit to the country of the 45 per cent. of construction saved which this will represent.

General Classification of Fire Losses in the United States, Amounting to $5,000 and Over, Reported in November.

Number of Fires.	Classification.	Reported Loss.
1	Railway storage yard	$800,000
9	Lumber mills	775,400
11	Grain elevators	533,700
39	Dwellings	465,000
5	Cotton storage warehouses	420,500
16	Hotels	398,000
2	Cotton oil plants	375,000
3	Furniture warehouses	323,000
1	Steamship dock and freight storage	300,000
7	Metal working plants	296,000
2	Grocery warehouses	270,000
9	Churches	206,300
1	Carriage hardware factory	200,000
2	Cement warehouses	197,000
5	Apartment houses	196,000
5	Storage warehouses	185,000
5	Baled cotton fires	184,500
19	Barns	174,700
3	Piano factories	165,000
3	Clothing stores	154,000
5	Stables	147,000
3	Woodworking establishments	140,000
4	Garages	140,000
1	Railroad freight depot	125,000
2	Clubhouses	125,000
1	Cold storage plant	120,000
2	Railroad shops	115,000
9	Cotton gins	113,000
3	Opera houses	111,000
2	Oil plants	110,000
1	Newspaper plant	100,000
1	Planing mill	100,000
1	Wood pulp mill	100,000
1	Mine tipple	100,000
4	Dry goods stores	96,000
1	Tobacco warehouse	90,000
3	College buildings	88,000
2	Knitting mills	86,000
3	Candy factories	85,000
3	School buildings	85,000
1	Department store	80,000
1	Roller skating rink	80,000
1	Arcade building	75,000
1	Meat packing establishment	75,000
1	Rolling mill	75,000
4	Flouring mills	69,000
4	School dormitories	61,000
4	Sawmill plants	57,000
1	Salt plant	50,000
2	Dairy buildings, farm	48,000
2	Mine buildings	40,000
1	Pier	40,000
2	Railroad depots	40,000
1	General store	35,000
1	Bottling plant	31,100
1	Paint factory	30,000
2	Drug stores	28,500
3	Canning factories	28,000
1	Carriage factory	25,000
1	Oil warehouse	25,000
1	Tenement	23,000
2	Laundries	21,000
1	Button shop	20,000
1	Creamery	20,000
1	Lead smelter plant	20,000
1	Livery stable	20,000
1	State fair building	20,000
1	Electric light plant	18,000
1	Chemical works	15,000
2	Freight cars and contents	15,000
1	State prison building	15,000
2	Bakeries	14,000
1	Coal breaker	10,000
1	Iron casting plant	10,000
1	Printing plant	10,000
1	State armory	10,000
1	Waste paper warehouse	10,000
6	Ice houses	8,000
1	Tannery	8,000
1	Tug boat	7,000
1	Electric motor plant	6,000
1	Brass foundry	5,000
1	Express car and contents	5,000
1	Fibre plant	5,000
1	Gas house	5,000
1	Livery barn	5,000
1	Steam yacht	5,000
85	Spreading fires, with omnibus loss	3,545,350
39	Miscellaneous mercantile risks	990,000
6	Miscellaneous manufacturing risks	82,000
	Total	$14,735,050
	Add 15 per cent. for small and unreported fires	2,210,257
	Total	$16,945,307

Total number of fires reported, 400.

FIRE INSURANCE IN THE COURTS.

A Concise and Convenient Digest of the Law of Fire Insurance as It Is Being Developed and Interpreted by the Various Courts Throughout the United States.

Reported for the Weekly Underwriter by Woodhull Hay, of the New York Bar.

1. Rate Paid on Settlement—What Judgment Compelling Insurer to Pay Higher Rate Is Not a Voluntary Increase of Same.

A fire having occurred, the insured and insurer arrived at a settlement by which the former received 50 per cent. of the loss in full of all demands. At the same time the parties stipulated in writing that, "if at any time in the future the company adopts any other plan of settlement, than that under which the settlement has been made * * and under or by reason of which the rate of payment is voluntarily raised by the company in the district in which your (the insured's) property insured with us at the time of the fire was situate, or if, as to any other policyholder * * in said district under conditions similar to yours (the insured), a payment at a higher rate is made when you (the insured), will be given by said company the benefit of that rate and the settlement with you (the insured), increased to that extent." The insured alleged that subsequently the insurer did pay to certain other of its policyholders, having claims arising under conditions precisely similar to that of the present insured and on property situated in the same district.

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the full face value of such claims, and that therefor the insurer became liable to the insured for the balance of its claim. The insurer answered by alleging that the subsequent payments referred to were made only in satisfaction of judgments which were duly rendered in cases where the claimants refused the compromise offered by the insurer. The court held that the contract of settlement must be construed as a whole, that the word "voluntarily" referred to the second clause as well as to the first, and that therefore the insurer did not become liable to the insured for the balance of its claim.

Judgment rendered for insurer by the United States Circuit Court for the Northern District of California.

RALPH BROWN COMPANY vs. NORWICH UNION FIRE INSURANCE SOCIETY,

180 Federal, 933. (October 13, 1910.)

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1. Time Within Which to Sue—What Words on Part of General Counsel of Insurer Estops Latter From Setting Up Breach of Clause Providing for Same.

A policy provided that no action should be sustainable thereon "unless commenced within six months after the date of the fire," and that "no officer, agent, or other representative of this company shall have power to waive any provision or condition * * except such as by the terms of this policy may be the subject of agreement indorsed hereon or added hereto." Then followed a provision that such waiver must be signed by the president, vice president, treasurer and general manager, or assistant secretary. Prior to the expiration of the six months' period, the insured employed an attorney to bring action. Before the latter did so, the general counsel of the insurer, according to the allegations of the insured, insisted and persuaded his attorney to defer commencing the action. The said general counsel offered great hopes to the said attorney that the matter would be adjusted without litigation, repeatedly assured him there would be no harm in delay and told him he would give ample notice of time to file his suit. In reliance on these words, the attorney refrained from commencing action till the said general counsel finally told him to do so. There were also allegations that the above was the only reason why the suit was not begun in time and that the said general counsel had been directed by the president of the company to look after the claim of the insured. The court held that under these facts the insurer was estopped from claiming that the suit was not filed within the six months from the date of the fire.

2. Same—Same—When Amendments Alleging Above Facts Should Be Allowed.

The original petition did not set forth the above facts. Amendments, therefore, making said allegations were offered. The insurer objected to their allowance "because they were insufficient in law, because they sought to vary a written contract by parol, because they were not in accord with the declaration originally filed and were inconsistent therewith." The lower court allowed the amendments and the present court affirmed the ruling.

Judgment for insured below, here affirmed by the Supreme Court of Georgia.

AMERICAN INSURANCE COMPANY vs. MCVICKERS BROTHERS,

68 Southeastern, 1026. (October 15, 1910.)

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1. Duty to Insure—Where Loss Falls—When Mortgagor, Who Does Not Insure, Cannot Charge Loss to Mortgagee Because He Does Not Insure.

A storekeeper mortgaged his property and goods to a creditor who agreed to conduct the business. By the express terms of the mortgage the debtor bound himself to keep the property insured against loss and damage by fire. This he failed to do. A considerable loss by fire occurred. Upon the foreclosure of the mortgage the debtor sought to charge this loss to the mortgagee because the latter failed to keep the property insured. The court overruled this contention.

Judgment for mortgagee below, here affirmed by the Supreme Court of Washington.

SPOKANE MERCHANTS' ASSOCIATION vs. PARRY,

110 Pacific, 991. (October 17, 1910.)

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1. Construction of Policy—General Rule Stated.

The terms of a policy executed upon a printed form prepared by the insurer must be liberally construed in favor of the insured.

2. Conditions Indorsed on Back of Policy—When Made Part of Contract, and When Not a Part Thereof—Rule Stated.

Conditions and stipulations indorsed upon the back of a policy, when sufficiently mentioned in the body of the instrument, will become a part of the contract of insurance itself, with the same force and effect as though they had been recited therein; but if no sufficient reference is made on the face of the policy to such indorsed conditions and stipulations, they cannot be regarded as a part of the contract, but must be ignored when the policy is being construed to ascertain obligations devolving upon the insured.

3. Proof of Loss—When Not Required—General Rule Stated.

The court held that the insured could be required to make proof of loss only by the express terms of the contract of insurance.

4. Same—Same—Effect of Non-reference to Provisions Requiring Same Stated.

No requirement for proof of loss to be made to the company by the insured appeared on the face of the policy. Nor was there any reference to the printed matter, or to the bylaws of the company, which purported to make any such condition a part of the policy, or which required proof of loss as a condition precedent to the right of the insured to maintain the action. The court held that the insured was not required to furnish proof of loss before bringing the action.

5. Same—Power of Adjuster to Waive Same, Stated.

One who is intrusted by the insurer with apparent power to adjust the loss has authority to waive notice and proof of loss.

6. Same—What Denial by Adjuster of Liability Waives Same.

After the fire the adjuster called to inspect the premises, and the insured offered to give any information desired and permitted an inspection of all books. The adjuster left without making any final adjustment or reporting to the insured and never returned. Upon inquiry being made at the branch office of the company, the insured was told the adjuster had full charge of the case. The insured immediately called upon the adjuster, who, in substance, notified him that the company was not liable, as the insured had sustained no loss. The court held this denial of the adjuster to be a waiver of proof of loss.

Judgment for insured below, here affirmed by the Supreme Court of Washington.

BURBANK vs. PIONEER MUTUAL INSURANCE ASSOCIATION,

110 Pacific, 1005. (October 17, 1910.)

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1. Assignment of Policy—Rights of Third Party, When Assignment Was Made in Fraud of His Interest, Stated.

The owner of certain buildings sold them to another who agreed to, and did, insure the property against loss by fire, the damages, if any, being payable to the former owner as his interest might appear, by way of security for his claim against the buyer. When the time for the policy to expire arrived, the insured took a policy in another company. In this policy the provision for the seller's indemnity was omitted without his knowledge or consent. The insured thereafter assigned this new policy to another who had knowledge of the seller's rights. The buildings subsequently burned. The assignee sued the insurer and obtained a judgment for the amount of the policy. The original seller thereupon filed a bill praying for a reformation of the policy and for the application of the amount due thereon to the payment of his claim. The court held that the assignment was fraud upon the seller's rights and that the assignee held the money in trust for him to the extent of his claim.

Judgment for seller below, here affirmed by the Supreme Court of Michigan.

CRAIG vs. INSURANCE COMPANY OF STATE OF PENNSYLVANIA,

127 Northwestern, 757. (October 21, 1910.)

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1. Mutual Company—Rights Under Michigan Statute Stated.

Section 7256 of the Comp. Laws of Michigan provides: "It shall not be lawful for any company organized upon the mutual plan to do business, or take risks upon the stock plan, neither for a company organized as a stock company to do business upon the plan of a mutual insurance company." The court held that this section had not been repealed or modified, except as it might be said to be affected by Act No. 197, Pub. Acts 1909. It was not claimed in this case that the insurance company had complied with the provisions of this latter act, so the case was decided under the section above quoted.

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2. Same—What Policies are Violative of Said Section 7256.

The mutual company issued cash premium stock plan policies and farm risk policies. The court held that all of the former, which did not contain the assessment liability clause, and all of the latter, were void as against said Section 7256.

3. Same—Same—Rights and Liabilities of Holder Upon Insolvency of Company Stated.

The mutual company became insolvent. In passing upon the question of the right of the holders of such policies the court held that they were entitled to a return of the unearned premium, on the theory that when a contract is invalid, and the parties acted in good faith, they should be placed as nearly as possible in statu quo.

The court further held that such holders were not to be considered members of the company, and were not, therefore, liable to assessment.

Judgment awarding refund of unearned premiums rendered by the Supreme Court of Michigan.

In re Citizens' Mutual Fire Insurance Company, of Holly.
ELY vs. OAKLAND CIRCUIT JUDGE,
127 Northwestern, 769. (October 21, 1910.)

This case came before the Supreme Court of Michigan on a prior occasion, and is reported in 125 Northwestern, 375, and on page 368 of the issue of THE WEEKLY UNDERWRITER for May 7, 1910.

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1. Proofs of Loss—When Same Are Not Admissible in Evidence.

The value of property destroyed should not be proved by the use of proofs of loss, where there is no further evidence of value or of the correctness of the proofs. It is error to allow such a use of them to be made.

2. Same—Right of Witness to Use Same to Refresh Memory, Stated.

The witness stated he had assisted in making the proofs of loss. While testifying as to the value of the goods destroyed, he refreshed his memory by referring to the proofs. The court held the witness had a right so to do.

3. Same—When Same Are Properly Admitted.

After the witness has used the proofs as above stated, it is proper to admit them in evidence and to allow the jury to inspect them.

4. Ownership of Property—When Delivery of Bill of Sale to Same Presents Question for Jury.

The insured testified that in order to keep the property from his creditors he had executed a bill of sale to his wife, but had never told her about it. The court held that whether there had been sufficient delivery of the bill of sale constituted question for the jury.

5. Same—What Charge to Jury as to Use to Be Made by Them of Riders on Policy on Question of Veracity Between Insured and Agent is Proper.

The question arose as to whether before the policy was issued the insured informed the agent of the insurer as to the state of his title. The issue resolved itself into a matter of veracity between the agent and the insured. The lower court charged the jury that upon this point they should consider the riders on the policy relating to ownership of the property. The present court held that in the absence of a requested charge the one given was proper.

Judgment for insured below, here affirmed by the Supreme Court of Michigan.

GOODWIN vs. UNION INSURANCE COMPANY OF PHILADELPHIA,
127 Northwestern, 790. (October 21, 1910.)

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1. Standard Policy—Effect of North Dakota Statute, Stated.

Section 6058 of the Revised Codes, 1905, of North Dakota, provides that policies in the statutory form shall be subject to the same rule of construction as to their effect, or the waiver of any of their provisions as if the form thereof had not been prescribed. The court held that both at common law and under this section a prescribed standard policy is none the less a contract, and to be construed as such.

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2. Agent of Insurer—When Errors of Same Are Chargeable to Insurer.

Agents authorized to procure applications for insurance, and to forward them to the insurer for acceptance, are agents as to representations made by them as to the effect of statements in the policies. When all the facts are stated to agents, and they make out policies incorrectly, the errors are chargeable to the insurer.

3. Same—What Conditions May Be Waived by Same, Though Restrictions Are Placed Thereon in Policy.

The policy contained a clause providing that "no officer, agent or other representative of this company shall have power to waive any provision or condition of this policy except such as by the terms of this policy may be the subject of agreement indorsed hereon or added hereto, and as to such provisions and conditions no officer, agent or representative shall have such power or be deemed or held to have waived such provisions or conditions unless such waiver, if any, shall be written upon or attached hereto." The court held that these restrictions did not apply to those conditions which related to the inception of the contract, where the agent with full knowledge of the facts issued a policy and collected the premium, and the insured had acted in good faith.

4. Same—What Knowledge by Agent of Title of Insured Estops Insured to Set Up Breach of Condition.

The policy contained a clause rendering it void "if the insured has cancelled or misrepresented, in writing or otherwise, and material fact or circumstance concerning this insurance or the subject thereof; or if the interest of the insured in the property be not truly stated therein. * * This policy unless otherwise provided * * shall be void * * if the interest of the insured be other than unconditional and sole ownership." The sole interest of the insured was that of a holder of a sheriff's certificate under a mortgage foreclosure sale. In applying for the policy the insured fully acquainted the insurer and the agent with the true facts. The agent, however, negligently omitted to state in the policy the true interest of the insured in the property. After the loss the insurer sought to avoid liability on the ground that the policy was void at its inception. The court held that the insurer was estopped to urge such defense.

5. Same—Same—What Acts by Agent Constitute Waiver.

The court stated that the acts of the agent and the insurer in delivering the policy and retaining the premium in the circumstances above mentioned constituted a waiver of the forfeiture.

Judgment for insured below, here affirmed by the Supreme Court of North Dakota.

LEISEN vs. ST. PAUL FIRE AND MARINE INSURANCE COMPANY,
127 Northwestern, 837. (October 21, 1910.)

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1. "Appraisal or Examination" by Insurer—What Request by Adjuster Is Not in Purview of Same.

A policy contained a clause providing that "this company shall not be held to have waived any provision or condition of this policy or any forfeiture thereof by any requirement, act, or proceeding on its part relating to the appraisal or to an examination herein provided for." The adjuster requested the insured to furnish an estimate of a builder showing the value of the property insured and destroyed by fire. The court held that this request was not within the meaning of the said clause.

2. Same—Same—What Knowledge by Adjuster of Breach of Clause Against Change of Title, When Such Request Was Made, Avoids Forfeiture for Such Breach.

The policy also contained a clause prohibiting any change of title, interest or possession of the insured. There was a breach of this clause. The adjuster, however, knew of this breach when he made the above request. The court held that the forfeiture was thereby waived.

3. Subrogation—What Payment by Insurer to Mortgagee Operates as Discharge of Debt from Insured to Said Mortgagee.

The policy provided that the loss should be payable to the mortgagee as his interest might appear. By a separate agreement with the latter, the insurer bound itself to pay said latter, notwithstanding it might deny liability to the insured. Under this agreement the insurer reserved the right of subrogation against insured in the event of such payment. The insurer denied liability to the insured and made a payment to the mortgagee, who, thereupon, under the above agreement, transferred the notes of the insured to the company. Subsequently the latter commenced this action on said notes against the insured. The matter was complicated by the facts that the insured had not furnished proof of loss or commenced an action against the insurer within the proper period. The insured sought to plead the fact of said payment to mortgagee by the insurer. The insurer was in fact liable to the insured under the policy. The court held that, notwithstanding the lapses of the insured last above stated, the insured might so plead, because the payment to the

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mortgagee operated to extinguish pro tanto the debt of the insured to said mortgagee.

Judgment for insured below, here affirmed by the Supreme Court of Georgia.

SCOTTISH UNION & NATIONAL INSURANCE COMPANY vs. COLOARD, 68 Southeastern, 1097. (October 22, 1910.)

1. Construction of Policy—General Rule, Stated.

While an insurance policy, like other contracts, is to be construed and given effect according to its language and terms, its provisos and exceptions are to be strictly construed against the insurer, and literally in favor of the insured. It is a fundamental rule that the insurer is in duty bound to use such language as to make the conditions, exceptions and provisions of the policy clear to the ordinary mind, and in case it fails to do so any ambiguity or reasonable doubt is to be resolved in favor of insured and against the insurer.

2. "Earthquake" Clause—For What Loss Insurer Is Liable Under, Stated.

The policy contained a clause providing that "this company shall not be liable for loss caused directly or indirectly by invasion, insurrection," and other political disturbances specifically mentioned; "or for loss or damage occasioned by or through any volcano, earthquake," or certain other physical disturbances specifically mentioned. This was another case growing out of the San Francisco disaster on April 18, 1906. The earthquake caused a fire in a distant building, and it was communicated to the insured property through the burning of intermediate buildings. The court held that the clause quoted excepted only such losses, as regards earthquakes, as were caused directly as well as proximately by that means, basing its decision upon the omission of the words "directly or indirectly" from the clause dealing with earthquakes, and the insertion of the words "loss or damage occasioned by or through" in their place.

3. Same—Same—Effect of California Statute, Stated.

Section 2626 of the Civil Code of California provides that "an insurer is liable for a loss of which a peril insured against was the proximate cause; although a peril not contemplated by the contract may have been a remote cause of the loss; but he is not liable for a loss of which the peril insured against was only a remote cause." Section 2628 provides: "When a peril is specially excepted in a contract of insurance, a loss, which would not have occurred but for such peril, is thereby excepted; although the immediate cause of the loss was a peril which was not excepted." In the present case the peril insured against was fire, the peril not insured against was earthquake. The policy excepts only such loss as was directly caused by earthquake. The court held that the above sections did not alter the construction already placed upon the policy.

Judgment for insured below, here affirmed by the Supreme Court of California.

PACIFIC HEATING AND VENTILATING COMPANY vs. WILLIAMSBURGH CITY FIRE INSURANCE COMPANY, 111 Pacific, 4. (October 31, 1910.)

1. Mutual Company—What Provision Regarding Deposit of Premium Entitles Insurer to Benefit of Stock Company Basis.

A policy contained a clause providing that "If the deposit made by the insured at the time this policy is issued should be less than the premium which would be payable on the property hereby insured for the amount of insurance above named, at the rate charged by the majority of the stock companies engaged in fire insurance business in [this] locality, * * then it is understood and agreed that the amount of insurance contracted for herein and all claims for losses hereon shall be reduced pro rata on the several and separate items thereof." The deposit referred to was by way of premium and subject to assessment. The amount of the policy was $7,500, and of the deposit $102.73. The insurer averred that the latter amount was at the rate of $1.29 per $100 of insurance on the buildings, and $1.42 on the contents, and that the rates charged by a majority of the stock companies insuring in the locality were $1.84 per $100 for like buildings, and $2.09 on the contents. It therefore claimed that its liability should be reduced to the ratio of such charges. The court held that the insurer, by these averments, brought itself squarely within the clause of the policy referred to, and that therefore it was error to give judgment for more than the less amount.

Judgment for insured for full amount below, here reversed by the United States Circuit Court of Appeals for the Third Circuit.

EXCHANGE MUTUAL FIRE INSURANCE COMPANY vs. WARSAW-WILKINSON COMPANY, 181 Federal, 330. (November 3, 1910.)

1. Forfeiture in Mutual Company—Rule Stated.

Forfeitures of policies are not favored, and will only be declared by the courts upon a showing of strict compliance by those claiming the forfeiture with every contract or bylaw upon which the forfeiture is predicated.

2. Same—When Same Does Not Result From Non-payment of Assessment.

Where an assessment is illegal or not made according to the charter provisions of the company, a forfeiture cannot be predicated by reason of the non-payment thereof.

3. Assessment by Mutual Company—Where Burden of Showing Validity of Same Lies.

Where a mutual company claims a forfeiture for non-payment of an assessment made by it, the burden of showing the validity of the assessment lies with the company.

4. Same—What Assessment Is Illegal.

Section 2 of Article 2 of the constitution of a mutual company provides that no assessment shall be levied except in cases of actual loss or damage by fire or lightning, or to defray the necessary expenses of the association. At the time the assessment in question was made the company's indebtedness was about $2,300. The assessment made would yield about $4,437. The excess was to cover losses which might accrue thereafter during the year. The court held the assessment illegal and refused to declare a forfeiture for the non-payment thereof.

Judgment for insured below, here affirmed by the St. Louis Court of Appeals, Missouri.

SETTLE vs. FARMERS' AND LABORERS' CO-OPERATIVE INSURANCE ASSOCIATION. 131 Southwestern, 136. (November 9, 1910.)

1. Advance of Premium by Agent of Insurer—When Same Is Not Lien on Proceeds of Policy.

After the expiration of certain policies the agent of the insurer, without any definite contract to that effect with the insured, made advances of premiums for such policies. A subsequent policy was in force at the time of the fire. The insured became bankrupt, and the agent claimed that he had a lien on the proceeds from said subsequent policy for the amount of his advances. The court disallowed the claim.

2. Same—When Same Is Not In Purview of Clause Protecting Advances by Mortgagee.

A mortgage on the premises contained a clause providing that, if the mortgagor did not keep the property insured the mortgagee might do so, and add the amount of the premiums paid for that purpose to the mortgage debt. The agent contended that his advances were protected by this clause. The court overruled the contention.

Order granted against the agent by the United States District Court for the Northern District of New York.

IN RE SEJO ICE CREAM COMPANY, 181 Federal, 627. (November 10, 1910.)

1. Waiver of Conditions by Agent—What Decision Concerning Same by United States Supreme Court Is Binding on Oklahoma Courts in Actions Pending When Oklahoma Became a State.

Under decisions of the United States Supreme Court, restrictions inserted in an application for insurance, which by its terms becomes a part of the insurance contract and restricts the power of the agent to waive any condition therein contained, apply to conditions which relate to the inception of the contract as well as to matters arising subsequent to its execution. The Oklahoma court held that these decisions were binding in Oklahoma as to actions pending when it became a State.

2. Same—When Insurer Is Not Estopped to Set Up Misrepresentations by Insured.

The policy contained a clause providing that "This policy is based on an application of the insured on file with this company, which is referred to as forming part of this policy, and it is understood that no other representations or statements have been made to the company or its agent than those written on said application, said application, with everything therein contained, shall be a continuous warranty by the insured." The agent made the estimates for the insured and inserted them in the application, which was then read over to the insured, who then signed same. The court held that the insurer was not estopped to set up misrepresentations in said application for the purpose of rescinding the contract.

Judgment for insured below, here reversed by the Supreme Court of Oklahoma.

STATE MUTUAL INSURANCE COMPANY vs. CRAIG, 111 Pacific, 325. (November 14, 1910.)

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OBITUARY.

(*Continued from page 448.*)

at Seward Institute and Union College, receiving from the latter in later years the degree of Doctor of Laws. His earlier affiliations being diplomatic on account of his uncle's incumbency of the Secretaryship of State, he naturally accepted a consulship at Shanghai, and this led him to a connection with Far Eastern affairs of nearly twenty years. He was appointed to Shanghai in 1861; consul general in China, with charge of all consulships in the empire, in 1863; special commissioner to Siam in 1867; Minister to Korea in 1869, and Minister to China in 1876, serving until 1880. He was an authority on the Chinese question, and wrote and spoke extensively on the subject after his return home, one of his most valuable works being entitled "Chinese Immigration in Its Social and Political Aspects."

In 1887 Mr. Seward became vice president of the Fidelity and Casualty Company, and on the death of Mr. Richards in 1892 its president. He completely identified himself with the business of the company, and with his characteristic zeal and energy became the potent factor which raised it to a leading position in the casualty and liability business. His efforts to promote the business were not confined to his own company. He was ever on the alert to serve insurance before committees and with the pen, and conducted with much force and ability the monthly paper issued by his company. He was chairman of the executive committee of the Board of Casualty and Surety Underwriters, and one of the founders and officers of the Liability Conference. His interest extended to various other organizations of a public character. He was a member of the Chamber of Commerce and chairman of its committee on taxation, member of several historical societies, of the New York Society of Sons of the Revolution, American Peace Society, Civil Service Reform Association, Authors' Club, Philippine Progress Commission and other associations. He was president of the North China branch of the Royal Asiatic Society for two years.

Resolutions were adopted on Tuesday by the Board of Casualty and Surety Underwriters that "the world of casualty insurance has lost one of its most learned members, wisest counselors and efficient coworkers, and each member of this board has been deprived of a personal friend"; and by the Liability Insurance Association that "it is the sense of this association that the insurance world at large has lost one of its most eminent and respected representatives through the death of Mr. Seward."

He leaves a widow, one son, George O. Seward, and three daughters. The funeral services were held at the Madison Square Presbyterian Church on Wednesday, the service being conducted by the Rev. Dr. Parkhurst. The interment was at Florida, N. Y.

Insurance Legislation.

Vermont.

The Committee on Judiciary has reported a bill for an act relating to the liability of employers to employees which regulates their relations in case of injury to the latter.

Mr. Powell has introduced Senate Bill 32, to repeal the act relative to brokerages on insurance, which forbids non-residents to do business in the State for authorized companies or resident agents to pay brokerage to non-residents.

West Virginia.

The State Auditor of West Virginia in his latest insurance bulletin mentions some amendments to the insurance laws which the Legislature will be asked to consider when it convenes in January. One of these is a regulation constituting the Auditor attorney-in-fact for foreign corporations which have withdrawn from the State, so long as any liability remains outstanding in the State. The Legislature will also be asked to deal radically with unauthorized insurance transacted in the State.

Official Reports.

Michigan Life Insurance Report.

Before his resignation Mr. Barry, late Insurance Commissioner, handed in to the Governor the annual report of the department on life insurance. It has just been published. After a discussion at some length of the matter of demand loans in life insurance contracts, the commissioner said:

It is gratifying to note that the Association of Life Insurance Presidents has recently gone on record as favoring the inclusion of the safety clause in all life insurance contracts, and that this precautionary provision is unqualifiedly indorsed by the many leading bankers, financiers and business men of the country whose attention has been called to the matter, the list including the Secretary of Commerce and Labor, the Comptroller of the Currency and prominent bankers and business men of many States of the Union.

With this powerful influence in the molding of public opinion, backed by the unanimous expression of the insurance supervising officials of the country in favor of the elimination from the policy contract of the demand loan clause in the interest of the absolute stability of the companies, the insuring public can be depended upon to welcome a provision so manifestly in its best interest.

Concerning new life insurance companies and their promotion the commissioner had this to say:

One of the developments of recent years is the new company and its promotion. The situation presents problems which call for careful, prompt and intelligent consideration if their solution is to be timely and effective. I have no quarrel with new companies. On the contrary, I believe that if properly organized and managed they accomplish much good. It would, in my judgment, be best for all concerned if there were to be established in every State one or more good, solid, substantial companies operated along safe and sane lines by men skilled in the business.

When you have in each State companies whose operations can be observed and studied at close range, whose business affairs are directed by reputable citizens of those States, and whose investments are largely within their respective States, the attitude of the public as reflected by the lawmaking power will be both healthy and helpful. From every standpoint I believe in encouraging the organization by proper methods of new companies which are to be conducted along proper lines by men familiar with the various branches of the business.

The investing public should understand that there is no magic in these days by which a life insurance company can coin money for its stockholders. When solicited to purchase stock the investor should investigate the proposition as carefully as he would a proposal to invest in the stock of any other business enterprise. He should demand authentic information as to the amount of his contribution that is to be used for promotion; he should thoroughly inform himself as to the capacity, skill and integrity of the men who are to manage the various important and widely differing departments of the company's business after its organization is completed, and he should understand that he must be content with only a reasonable return on his investment and not that until after the company has been fully established with a good volume of paying business on its books.

I wish to repeat my expression of confidence in new companies legitimately conceived and promoted at a reasonable expense by men having knowledge of the business, and whose honest purpose is to build up by careful and conservative business methods companies which shall be a credit to themselves and the State and a source of reasonable profit to those who invest their money in them.

Oklahoma Insurance Reports.

The annual report of the Oklahoma Insurance Commissioner for 1910 appears in two volumes, the first devoted to fire and marine and the second to life and miscellaneous insurance.

Commissioner Miles Lasater makes an excellent showing for the growth of fire insurance in his growing Commonwealth. He favors the creation of a State fire marshalship. Of the State rate making proposition he says:

If Oklahoma should see proper to consider establishing a State

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Rating Bureau it would be well to profit by the experience now being undergone by Kansas and Texas and watch the results. It is predicted that the effect of arbitrary rate reduction in Kansas will be at the expense of the smaller companies, and especially the domestic companies.

In Oklahoma the companies make their own rates. Practically all, if not all, subscribe to or abide by the rates promulgated by the Oklahoma Inspection Bureau, which, compared with fire statistics published by the Federal Government covering this territory, would appear, on the whole, reasonable and just. Still, there is a strong demand for State regulation. The public is insisting that there be lodged, somewhere, the power and final authority to pass upon this question. It is asserted, and not without good reason, that it is only fair to the assured, in case of discrimination or the imposition of an unjust rate, real or imagined, he should have some tribunal to which he can appeal for a proper adjudication of the matter. But the wisdom (or unwisdom) of State rating has not yet been demonstrated. The matter is in an experimental stage.

The Insurance Commissioner of Oklahoma, both the present incumbent on his predecessor, has insisted upon correct practices among the underwriters, allowing no rebates nor permitting companies or their agents to write at any other rate than that adopted by the company, the rule of this department being that "a company authorized to transact business in Oklahoma must uniformly apply its rates throughout the State." This is the enforcement of the anti-discrimination features of the anti-trust laws of our State, just as the Corporation Commissioner enforces uniform rates among transmission and transportation companies, but, unlike the Corporation Commission, the Insurance Commissioner is not, or is any other authority, vested with the power to determine what is an equitable rate and enforce the same.

The commissioner says that only about three of one hundred insurable lives in Oklahoma carry life insurance risks—a pretty wide field for the canvasser.

The conservation of the public health through the assistance of the life insurance companies inspires the commendation of Commissioner Lasater. He says:

It has been pointed out that our people spend millions of dollars in maintaining military and civil forces to protect life, liberty and property; to aid commerce vast sums are expended; arid lands are reclaimed; forest preserved at tremendous cost to the people; safety device laws have been enacted to prevent accidents; provisions are made to guard the public against the entrance of epidemic diseases from other countries. The pertinent question has been asked, if it is the function of the State or the nation to do these things, is it not also a necessary and important function of government to assist in prolonging the lives of those who are threatened with disease?

Commissioner Lasater approves of the proposed uniform bill regulating the fraternal business. He says that there is no room in Oklahoma for pure assessment insurance. There is no excuse for it. In truth assessment associations, other than fraternals, are, as a rule, organized for the purpose of creating salaried positions for the incorporators, and for the purpose of using funds derived from assessments of members as investment for profit of those in control. Such associations have never been successful. The shores of the insurance sea are strewn with the wrecks of pure assessment life companies.

The commissioner declares that the roster of admitted life insurance companies to Oklahoma is the best evidence that the laws have been strictly administered.

South Dakota Insurance Report.

Insurance Commissioner Bassford in his annual report discoursed upon the desirableness of a uniform law for the regulation of fraternal orders. On the valued policy law and the propriety of State rate making for fire insurance he says:

There has been among fire insurance men some agitation looking toward the repeal of our statute. Before such agitation can be treated seriously, fire insuring companies need to show greater diligence in the discipline of their agents in the matter of overinsurance. For the sake of increasing commissions, agents are tempted to write overinsurance. Whether the companies write this insurance for a similar reason, to wit, the increase of premium receipts, I would not dare to say. The main argument against the valued policy law is that it tempts to incendiarism. This same argument holds just as good in reference to the overinsurance permitted by the companies. As long as companies permit the writing of overinsurance the valued policy law should remain upon our statutes.

A few States have taken the rate making under State control. This matter is in an experimental stage. There has, during the past year, been considerable rerating in this State and such rating has had a decidedly upward turn. This is an important matter and the question of State rating should be approached with great care and any legislation should not be attempted unless some able and well posted men in insurance matters shall have been elected to the forthcoming Legislature, whose services can be employed on the committees on insurance. In a general way I suggest that if taken up at all, this question be approached with conservatism. I would suggest that a commission of arbitration might be created with power to investigate in cases of complaint against the rates fixed by the companies, said committee to report their findings to a future session of the Legislature. To save expense the Commissioner of Insurance, the chief clerk of the insurance department and the State Auditor might be empowered as a committee to make investigations where complaints are filed, and thus provide the legislators with needed information before they attempt the general task of fixing fire rates.

Miscellany.

Revision of Fire Insurance Commissions and Reform in Taxation Recommended by the New York Merchants' Association.

The Merchants' Association of New York through its committee on insurance has addressed a request to the New York Legislative Investigating Committee that it make an investigation into the commissions paid to agents and brokers by fire insurance companies in this city, and that it consider the question of the taxation of insurance premiums. The communication is signed by Mr. Chambers, chairman of the association's committee. On the first subject he says:

Of the premiums paid by insurers, from 5 per cent. to 37½ per cent. is paid by insurance companies as commissions to agents and brokers for securing business. In the city of New York 5 per cent. or 10 per cent. brokerage is paid upon premiums derived from the central business district, increasing to 25 per cent. in the case of residences, churches, etc. In other parts of the State many companies pay flat commissions to agents of 15 per cent.; others pay 20 per cent. or 25 per cent., and an additional commission up to 10 per cent., contingent upon the profits on business secured.

The large amounts so paid for commissions are of course, included by the companies in the cost of doing business, which total cost must be provided for out of the aggregate premiums derived from insurers. In consequence, these premiums are materially higher than they would be were the commissions gauged upon the scale of compensation to salesmen, which usually prevails in other branches of the business.

In the matter of taxing insurance Mr. Chambers says:

The imposition upon the business of insurance of taxes for revenue is opposed to sound principles of taxation. Ordinarily taxes represent the payment to the government of a part of the profit derived from the economic use of wealth. Taxes derived from an insurance fund represent an addition to the burden upon a community imposed by the destruction of wealth. It is wholly unjust that the fund exacted from the community to distribute the burden of destruction should be increased by government exaction.

The business of insurance, however, is one to which government regulation is applied on the theory that it shall be safely and properly conducted and that those who contribute to the fund shall be guaranteed the protection for which they pay. If government regulation is necessary, it may not be unreasonable that the cost of such regulation should be borne by the business of insurance, and paid for out of the premiums derived from insurance. Any taxation of insurance beyond the sum necessary to pay the cost of regulation is unreasonable and unjust and should be abolished. * *

The aggregate of the item cited above is upwards of $1,965,000. The total cost of conducting the State Insurance Department, to which the regulation of insurance companies is entrusted, was

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about $226,000 during the same period. Thus, after payment of all the expenses incident to regulation, the State derived a net revenue from the taxation of insurance companies of about $1,739,000, exclusive of the probably considerable amount paid to local authorities for the benefit of fire departments.

Owing to the varying rates of taxes imposed upon insurance companies of different classes, it is impossible to state the average percentage upon the aggregate of premiums represented by the foregoing total, but it is probable that the special taxes exacted amount to between 2 and 3 per cent. The premium rates charged by insurance companies represent not only the amount necessary to meet fire losses, plus a reasonable profit upon the capital of the companies, but also represent and are based upon the expense of conducting the business, and of this expense the item of taxation is a large and important one.

In the course of the inquiry held during the current year by the Illinois Fire Insurance Commission there was presented a tabulation of the taxation of fire insurance companies for the eighteen years 1891 to 1908, inclusive, showing the ratios of taxes to premiums less losses and expenses. This tabulation was compiled from official figures of the New York State Insurance Department, and showed that, while the profit to premiums in the eighteen years had been only 3.06 per cent., the ratio of taxes to premiums had been 2.67 per cent., and that the taxes paid in the period named aggregated an amount equal to 87.5 per cent. of the profits derived from the business transacted.

As urged above, this excess of taxation is simply a burden upon calamity. The whole subject should, therefore, be carefully investigated by the Legislative Investigating Committee with a view to recommending legislation to modify or abolish these burdensome and objectionable taxes.

Another Day With the Legislative Investigating Committee.

On Tursday, there being a temporary paucity of graft witnesses, the New York Legislative Investigating Committee took a day's turn at the fire insurance examination.

Mr. Willis O. Robb, manager of the New York Fire Insurance Exchange, was called to give testimony and explain with thoroughness the relations of the Exchange with the fire insurance companies and with the public. The Exchange, he said, was a voluntary and incorporated association, formed pursuant to an article in the bylaws of the New York Board of Fire Underwriters, allowing the organization of tariff or rating associations by members of the board. The Exchange fixed practically all the rates in force within its territory. There are no stock fire insurance companies in the metropolitan district that are not members of the Exchange. The rate making work is embodied in printed rate cards which are distributed in daily installments to members and are filed in their rate cabinets for constant use. The expense for printing and distributing cards alone is nearly $60,000 annually.

The witness was confident that the Exchange is a public benefit, as its work improves the quality of fireproof construction by charging for defects. Mr. Robb explained the necessity of the application of the coinsurance clause, in enabling the companies to transact business without a loss. Members of the committee asked many questions.

Being asked what he meant by saying that "political influence" interfered with the efforts of the Exchange to cut down the number of small insurance brokers, Mr. Robb answered that when brokers lost their certificates on account of complaints against them they often enlisted their district leaders or other politicians in efforts to secure reinstatement by making "a loud and enduring noise," which did not as a rule effect the purpose, but did affect public opinion of the business.

Mr. J. H. Stoddart was also examined and said that the present rates are as equitable as the companies can make them. Professor Whitney produced a mass of Pacific Coast fire insurance statistics to show how rates ruled there. On Friday morning Secretary Jeuness of the State Board occupied the witness stand for an hour or two.

Life Insurance Investments in Railroad Securities—How the Interests of Policyholders May Be Affected.

President George E. Ide, of the Home Life Insurance Company appeared before the Interstate Commerce Commission, on November 26, at a hearing on the application of the railroads to increase freight rates. Mr. Ide appeared on behalf of the Association of Life Insurance Presidents, and he said:

The decision of the question now before this commission will have a potent influence upon the future earnings of our railroads, and upon these earnings will depend the value of their securities.

I appear for the life insurance interests, which represent an aggregate holding of railroad securities far beyond what is ordinarily believed. For whom are these securities held? The assets of life insurance companies represent accumulations to provide a reserve required by law against each policy, and alsa a surplus fund held for future contingencies. In all companies the reserve fund is distinctly maintained for the protection of each individual policy. The surplus fund belongs in part or whole to the policyholders, according to the character of the organization. In mutual companies, it is entirely theirs. Let me cite a specific case to make my meaning clear.

In the company with which I am connected the total admitted assets are $23,600,000; of these assets $6,400,000 is invested in mortgage bonds; $8,160,000 in railroad bonds, and in railroad stocks $705,000. Thirty-seven and one-half per cent. of the company's total assets is invested in railroad securities. About 45,000 policyholders are the real beneficiaries and practical holders of these securities. It is not an intangible vague corporation which owns these bonds for the benefit of a few wealthy stockholders. The bonds are held sacredly in trust for 45,000 citizens scattered over the entire United States. These are the facts concerning only one of the companies, and a small one at that.

It is said that, if by reason of your action the earning power of railroads should fall below the requirements for dividends and fixed charges under existing or future conditions, the only sufferers would be the stockholders, who would receive a reduced dividend. This is not a full statement of the case. The value of any prior lien is affected by the margin of safety over the lien. Take a mortgage loan on real estate. It is common practice to loan say $60,000 on a conservative valuation of $100,000. Suppose some law were enacted or some new condition created which should reduce the value of real estate so that this property, originally worth $100,000, should be only worth $80,000. In the first case, the margin on the loan is $40,000. Under the new conditions that margin would only be $20,000. The value of the investment is impaired and yet the owner may continue to pay his interest. It is not necessary to wipe out all of the margin before the value of the security is affected. Why is it that so many of our States have laws requiring that a railroad company must pay dividends on its stock for a given number of years before its bonds shall be a legal investment for savings banks, unless it is because it is generally believed that by such a record of dividend earning power the value of the underlying security is enhanced.

In investments for life insurance companies, the trustees of these funds seek safety, satisfactory interest return and stable values. It is also of extreme importance to secure long term investments, if possible. It is a trite axiom that credit is based largely on sentiment. If there is, for any reason, created in the mind of the financial world the slightest suspicion that our railroads cannot earn a fair living, then credit will be at once impaired, for buyers of these securities will not be found.

I am not here to plead for the holders of junior securities, although they have their rights, but I do wish to impress upon your minds the fact that if distrust were created the bonds, the underlying securities, will be injured in their value. Who will suffer? As nearly as I can learn, of the entire bond issues of the steam railroads of this country, amounting to $9,118,000,000 the life insurance companies doing business in the State of New York hold $1,139,000,000, or one-eighth of the entire railroad bond issues of the country. There are about 20,000,000 policyholders in these life insurance companies and they are all collectively and individually interested in the integrity of this investment. Any move which even sentimentally affects unfavorably the railroads of the land, will strike a blow at these securities which will affect this vast army of thrifty citizens. It is not necessary to reduce railroads to a condition of bankruptcy before the value of the underlying securities is affected.

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For those policyholders I therefore appear. They are not able to plead for themselves.

I know that in your deliberations you are giving to this momentous question the most careful thought and investigation, but it seems to me of vital importance that in arriving at a sound conclusion one should not overlook the fact that a false step at this time will affect seriously a vast number of our citizens who, unable individually to make their own investments in securities of railroads, are yet indirectly but intimately interested in their prosperity and well-being, and further that your action will be considered as a precedent to guide the commissions of our several States in their consideration of similar problems. The shipper, the jobber, the salesman and consumer all have rights of paramount importance, but the policyholders and savings bank investors must also be considered, for their interests are already vested in securities which have been purchased for their protection and profit, which were wise and conservative investments on the part of their trustees at the time they were made. The individual investor has his rights as well, but he is able to appear for himself. Under our general economic system the small saver who may become the future capitalist is a partner in these enterprises. Anything which affects unfavorably the prosperity and extension of our railroads will ultimately be felt by him, and his welfare is of vital importance to the upbuilding of our nation.

North British & Mercantile

INSURANCE COMPANY,

OF LONDON AND EDINBURGH.

Established 1809.

OFFICE:

76 WILLIAM STREET,

New York City.

Federal Life Insurance Co.

ISAAC MILLER HAMILTON, President

CHICAGO

Capital, Surplus and Reserves - $2,500,000
Insurance - - - - - - - - 17,000,000

Did you see the results on our matured ten year Endowments?

POLICIES WHICH SELL. PROFITABLE CONTRACTS FOR AGENTS. DESIRABLE AVAILABLE TERRITORY. WILL ENTER NEW TERRITORY.

Write us your ambitions—we may help you realize them.

We need a good man in Ohio, another in Michigan

Head Office for the United States:

57 and 59

William Street,

NEW YORK.

A. G. McIlwaine, Jr., Manager.

The Northwestern
Mutual Life Insurance Co.
of Milwaukee

GEO. C. MARKHAM, President
A. S. HATHAWAY, Secretary

New Business Paid-For

1905	$ 90,334,038
1906	93,563,452
1907	102,233,634
1908	109,685,428
1909	113,716,188

Each year larger than any in the previous history of the Company.

Commenced Business 1858

INSURANCE MEN will note the significant increase in The Northwestern's new business during the past five years.

IMPORTANT FACTS relating to this business are shown by the following percentages:

	Expenses	Mortality	Interest
1905	12.15	67	4.73
1906	11.76	59	4.72
1907	11.81	58	4.76
1908	10.76	59	4.84
1909	10.63	54	[illegible]

It is capable of easy demonstration that The Northwestern is the best Company to insure in.

See The Northwestern's new (1910) policy contract with its Dividend Options, Paid-up and Endowment Options, Options of Settlement and the Premium Loan Features.

Issues Partnership and Corporation Insurance.

For further information or an Agency, address

H. F. NORRIS,
Superintendent of Agencies.

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NATIONAL CASUALTY DETROIT

NATIONAL CONTRACTS SATISFY THE AGENT

Territory open. Write for terms.

THE CONNECTICUT MUTUAL

That means the best life insurance to have and the best to sell. If you can sell life insurance, you can sell more of it for the CONNECTICUT MUTUAL.

Men of character and ability are invited to apply,

CONNECTICUT MUTUAL LIFE INS. CO., Hartford, Conn.

Please mention this paper

1860 50TH YEAR 1910

HOME LIFE INSURANCE COMPANY

OF NEW YORK.

GEORGE E. IDE, President

ASSETS, $23,626,018.63 LIABILITIES, $21,858,691.52 (Including Deferred Dividend Fund)

Dividend-Endowment Fund (Deferred Dividends)	$2,119,044.00
Net Surplus	1,767,327.11
Insurance in Force	92,532,583.00

The Record for 1909 shows the following GAINS:

Insurance in Force	$4,164,239.00
Assets	1,917,117.00
Deferred Dividend Reserve	148,581.00
Contingency Reserve (Surplus)	655,149.17

OLDEST IN AMERICA STRONGEST IN THE WORLD

The Mutual Life

Insurance Company of New York

Mutual Life Agents Make Most Money Because Mutual Life Policies Sell Most Freely

For terms to producing agents address:

GEORGE T. DEXTER, 2d Vice-President,

34 Nassau Street, New York, N. Y.

[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1, 1910

CAPITAL

$1,500,000

RESERVE FOR ALL OTHER LIABILITIES

8,222,018

NET SURPLUS

6,440,211

ASSETS

16,162,229

GERMANIA

FIRE INSURANCE COMPANY

Organized 1859 **NEW YORK**

Cash Capital	$1,000,000.00
Assets	$6,502,289.14
Net Surplus	$2,008,419.02
Surplus for Policy Holders	$3,008,419.02

HEAD OFFICE: Cor. William and Cedar Streets

The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1910	$3,470,509.30
Total Liabilities, except Capital	1,920,837.24
Capital	500,000.00
Surplus to Policyholders	1,549,672.06

F. F. BUELL, Special Agent, Troy, N. Y.

Provident Life and Trust Co.

OF PHILADELPHIA.

The Provident has been particularly distinguished for the development of a highly trained force of agents. The systematic instruction which its agents receive has resulted in their being recognized as representatives of exceptional knowledge of the business and of marked efficiency.

FOUNDED 1792

Insurance Company of North America

232 Walnut Street, Philadelphia

Assets, January 1, 1909		$12,014,062.68
LIABILITIES—Reserved for Reinsurance and all other claims	$7,263,156.97	
Capital Stock	3,000,000.00	
Surplus over all Liabilities	1,750,905.66	$12,014,062.63

Agents in all the principal towns and cities.

EUGENE L. ELLISON, President.

T. HOUARD WRIGHT, Secretary.

HENRY W. FARNUM, Assistant Secretary.

BENJAMIN RUSH, Second Vice President.

JOHN O. PLATT, Assistant Secretary.

Surplus to policyholders, $4,750,905.66.

Offices in New York: Fire, 51 William St.; Marine, 69 Wall St.

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1857 —— CHARTER PERPETUAL —— 1910

THE GERMAN MUTUAL LIFE INSURANCE COMPANY

OF ST. LOUIS, MO.

Attractive Policy Forms and Low Premium Rates.
Liberal Contracts to Reliable Producers.

The Only Company in the World That
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AGENTS WANTED

Apply to F. E. McMULLEN, 2nd Vice-President and Supt. of Agencies

HOME OFFICE BUILDING
35 Nassau Street, New York, N. Y.

E. E. Rittenhouse, President.

FIRE ASSOCIATION

1817 OF PHILADELPHIA 1908

Total Assets,	$7,840,675.19
Capital Stock,	750,000.00
Net Surplus,	1,804,021.58

E. C. IRVIN, President.
T. H. CONDERMAN, Vice-President.

New York City Department
KELLY & FULLER, Agents
92 William Street, New York City

Boston Department
JOHN C. PAIGE & CO., Agents
65 Kilby Street, Boston, Mass.

THE **Fidelity and Casualty Company,**

97-103 CEDAR STREET, NEW YORK CITY.

Assets, $9,607,864.46.
Capital and Surplus, $3,378,053.64.
Losses Paid to June 30, 1910, $33,065,866.09.

This Company grants Insurance as follows:
Bonds of Suretyship for persons in positions of trust.
Fidelity Bonds, Burglary, Plate Glass,
Steam Boiler, Flywheel, Employers',
Public, Teams, Workmen's Collective,
Elevator and General Liability;
Personal Accident, Health
Physicians' Liability.

OFFICERS:
George F. Seward, President.
Robert J. Hillas, Vice-President and Secretary.
Henry Crossley, Assistant Secretary.
Frank E. Law, Second Assistant Secretary.
George W. Allen, Third Assistant Secretary

ILLINOIS LIFE

INSURANCE COMPANY, CHICAGO

JAMES W. STEVENS, President.

Offers exceptional inducements to reliable and energetic men who are experienced in or who would like to enter the business of life insurance.

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Union Mutual Life Insurance Co.

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Address either: ALBERT E. AWDE, Supt., Flatiron Bldg., Watertown, N. Y.
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JANUARY 1st, 1911

THE
Pittsburgh Life and Trust Company

will open several States.

Do you want a General Agency?

Assets more than -	$23,000,000
Insurance in force more than	75,000,000
Income more than -	4,000,000

W. C. BALDWIN, President
Address Home Office, - - - Pittsburgh, Pa.

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The Union Central Life Insurance Company!

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A GOOD COMPANY

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ASSURANCE COMPANY, LIMITED, OF LONDON

(ESTABLISHED 1782)

LOSSES PAID, OVER - - - $200,000,000

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To See What

HARTFORD LIFE

Will Do For You

ALL FORMS OF POLICIES

Hartford, Conn.

1825. THE 1910.

Pennsylvania Fire Insurance Company

OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,349,097.67
Surplus	2,233,426.43
Total January 1, 1910	$7,332,524.10

R. DALE BENSON, Pres. — W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. — HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

INCORPORATED 1851.

Berkshire Life Insurance Company

OF PITTSFIELD, MASS.

All Policies issued by the Company are subject to the Massachusetts Non Forfeiture Law.

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THEO. L. ALLEN, Sec. — ROBT. H. DAVENPORT, Asst. Sec.

Agencies in all the principal cities of the United States.

Net Surplus and Capital, $486,413
Income 1909, . . . 1,146,723

WILL AID GOOD MEN IN ESTABLISHING AGENCIES

Best Policies, Largest Commissions or Profit Sharing Contract

NORTH AMERICAN ACCIDENT INS. CO.

A. E. FORREST, Vice-Pres. & Sec'y, Chicago.

EXCELLENT OPPORTUNITY

FOR

DIRECT AGENCY CONTRACT.

The Manhattan Life

INSURANCE CO.

of New York desires to make direct contracts, with good producers, for unoccupied portions of the following States: New York, New Jersey, Pennsylvania, Kansas, Idaho and Washington. The usual commission contracts with allowance for office expenses will be made. The policy forms of the Company are up-to-date, the premium rates are low and the annual dividends attractive.

Home Office: 66 BROADWAY, NEW YORK.

The Columbian National Life Insurance Co. of Boston, Mass.

LIFE, ACCIDENT AND HEALTH INSURANCE

The Only Massachusetts Non-participating Company.

The New Columbian Policies are Unexcelled in Clearness and Liberality. Good Contracts and Territory for Good Producers.

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COMMERCIAL UNION ASSURANCE CO.

LIMITED,

OF LONDON.

OFFICE:

Cor. Pine & William Sts., New York.

GUARANTEES—NO ESTIMATES

ARE ALL POLICIES OF

American Central Life Insurance Co.

INDIANAPOLIS, INDIANA.

INSURANCE IN FORCE, $25,000,000. ASSETS $2,462,000

High Class Salesmen Wanted in

Tennessee, Missouri, Arkansas, Alabama, Michigan, Pennsylvania, Ohio, Indiana, Illinois, Texas, Kansas, Oklahoma and Kentucky

A NEW PLAN

OF COMPENSATING SALESMEN

Write for Information Today

You Don't Have to Explain

when you offer a man an Ætna Accident, Health or Disability Policy. You don't have to talk "Company." "Ætna" is the synonym for financial strength, liberal contracts and prompt settlements.

Good Agencies Open to the Right Men.

ÆTNA LIFE INSURANCE CO.

Accident and Liability Department

HARTFORD, CONN.

For an Agency address WALTER C. FAXON, Vice-President

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The Penn Mutual Life Insurance Company

OF PHILADELPHIA

On January 1, 1909, rates were reduced and values increased to full 3 per cent. reserve.

National Life Insurance Company

of the United States of America

ALBERT M. JOHNSON, President

More than $9,750,000.00 in Assets
Excess Security to Policyholders, $1,300,000.00

Chicago's Oldest and Strongest Company

OUR NEW POLICIES ARE WORLD BEATERS
LOW RATES AND HIGHEST VALUES

You Lose Money When You Neglect Your Chance to Sell Them

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Agencies in all the Principal Places in the United States.

Fire Insurance Company OF NEW YORK.

Western Assurance Company

HEAD OFFICE: TORONTO, CANADA.
INCORPORATED 1851.

Hon. GEO. A. COX, President.
W. R. BROCK and JOHN HOSKIN, K. C., LL. D., Vice Presidents.
W. B. MEIKLE, General Manager.

UNITED STATES STATEMENT, JANUARY, 1910.

Assets	$3,377,308.37
Surplus in United States	839,268.07

The Liverpool & London & Globe Ins. Co.

LIMITED

ESTABLISHED 1836. ENTERED THE UNITED STATES, 1848

NEW YORK OFFICE:
WILLIAM AND PINE STREETS.

NEW ENGLAND, NEW YORK, PENNSYLVANIA, NEW JERSEY, OHIO, INDIANA, KENTUCKY, TENNESSEE, MARYLAND, DELAWARE, DISTRICT OF COLUMBIA, VIRGINIA, WEST VIRGINIA, NORTH AND SOUTH CAROLINA.

H. W. EATON, Manager.
GEO. W. HOYT, Deputy Manager.
J. B. KREMER, JR., T. A. WEED, } Agency Superintendents.

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W. S. WARREN, Manager.
GEO. H. MOORE, Assistant Manager.
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The Weekly Underwriter:

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

THE proceedings of the annual meeting of the Association of Life Insurance Presidents, held in Chicago this week, will have an enduring value, for they will promote —with all the strength and influence of the life insurance companies of America behind them—two great purposes: the education and training of a force competent to carry life insurance into the remotest fields and the conservation of the public health, and thereby the reduction of the mortality rate of the American people. The various willing workers who appeared at the meeting with their papers and addresses are the instrumentalities with which the association will give encouragement to these movements. Our columns contain copious extracts from all these contributions to the success of the meeting. The association is making itself valuable beyond the confines of insurance.

SCARE heads are beginning to appear at the column heads of some of the New York dailies about the extortions of the "fire insurance trust," as revealed by unwilling witnesses before the legislative investigators, and the strong arm of the State is invoked. The extortion consists in the enormous profits which the companies make in the metropolitan district, and which are ascertained by the dailies by the ready and time honored process of subtracting losses paid from premiums received and depositing the difference in the pockets of the stockholders. One red hot daily charges that insured New Yorkers are being plundered to pay losses by the San Francisco fire and fires in other places. The proposition that each locality shall pay its own fire insurance loss quite measures the crude conception of fire insurance entertained by many. There is one prostrating answer to all these detonations about the profits of the fire insurance business. Underwriting results, according to the final computation of the president of the National Board of Fire Underwriters last May, showed an aggregate profit for the companies on their United States business in 1909 of 6.41 per cent., and a loss in the ten years ending with 1909 of 2.80 per cent.

IN 1908 the Supreme Court of South Carolina declared unconstitutional an act of the Legislature taxing fire insurance companies to provide a fund for the support of sick and disabled firemen. The Supreme Court of Virginia has now done the same thing by refusing to grant a writ of error as to a decision by the lower court that the Firemen's Relief Act is unconstitutional. Several States have these laws taxing fire insurance for the benefit of fire departments, although an attempt to pass one this year in Georgia failed. A new law in South Carolina, which avoids some of the features of the act of 1908, is awaiting a decision of the State Supreme Court as to its legality. The disposition of State courts to frown upon these laws should induce underwriters to make a test case for the Supreme Court of the United States upon the constitutional point. They are wholly unjustifiable. As we have before said in discussing this question, there is no reason why fire insurance should contribute to the maintenance of fire extinguishing departments or any condition originating from them that would not apply with equal force to the taxing of the banking business or the dry goods trade for the same purposes. We organize fire departments as we do police departments, for the protection of lives and property, and to single out a special class of business and tax it for the support of either is not equal taxation. While it may be said that the tax does not concern the underwriter as much as the insured property owner, who must pay it in the premium in the end, it does serve to enlarge the premium, and it is the duty as well as the policy of the fire underwriter to prevent it.

IT is pleasing to know that the members of the Merritt investigating committee are getting much more complete information concerning fire insurance matters than is being furnished the public by the reports of the proceedings in the daily newspapers. The reporters select bits of evidence here and there, and at their leisure combine them to make a "good story." It is well for the business that legislation governing fire insurance is not to be based on these newspaper reports. The matter of rates quoted by mill mutuals, considered by the committee on Wednesday, may be cited as an example. The newspapers published the extremely low rates asked by the mutuals without mentioning (1) that the mutuals insure only the highest class of risks; (2) that they require the annual deposit of an advance rate averaging $1 per $100, of which each dollar earns at least four cents during the year for the company, which should be added to the cost of the insurance, or (3) that each mutual policyholder assumes a risk equal to five times the amount of his policy. It was not pointed out that the mill mutual is not available to the general public, as the mutuals require not only the installation and maintenance of sprinklers and other fire fighting devices to conform to a superior standard, but that the building itself shall be of acceptable character. The mill mutual will not touch a risk in such a locality as the congested district of New York. It was brought out that the mill mutuals are doing business by mail with such firms as have the high class risks demanded, and are thus escaping taxation or supervision in

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this State. This point was not emphasized in the newspaper reports. Fortunately Mr. Merritt, who heads the legislative committee, is a level-headed man, as are also the other members of the committee, and they are not likely to be influenced overmuch by the idea which seems to be growing on Mr. Bruce that the investigation must be made to result as unfavorably as possible for the stock fire insurance companies.

Facts and Opinions.

Although the official position offered by the Metropolitan Life insurance company to Mr. **James V. Barry** possessed many superior inducements from a material point of view, and the honor of being chosen is highly appreciated, he has decided to remain general manager of the bureau of publicity, legislation and departmental relations for the casualty companies, the office to which he was previously elected. Mr. Barry was actuated in his decision by a sense of his responsibility to an organization which was largely effected by the fact that he was willing to be its head and director, and which depends much on his organizing ability and personal popularity to be put into successful operation. Although the casualty underwriters were willing to release Mr. Barry from his engagement, his high sense of honor forbade his acceptance of their sacrifice. To be so needed by two great organizations must certainly be gratifying, even to a former first class State insurance commissioner.

The National Board of Fire Underwriters has recently put forward a plan of unification and consolidation in respect to its fire prevention engineering activities that will be of striking interest to the underwriting and engineering fraternities alike. It has requested the **National Fire Protection Association** to take over the work of the two heretofore unaffiliated bodies, the Underwriters' National Electric Association and the Committee of Consulting Engineers of the National Board. The National Board officials have long felt the desirability of unifying the sources from which that body has for so many years drawn its various codes and standards. The National Fire Protection Association has furnished standards for all protective devices and systems; the Consulting Engineers have handled the hazards of gases and oils, and the Underwriters' National Electric Association has been responsible for the National Electrical Code. These three standard making bodies are now to be merged into one —the National Fire Protection Association—and the work of the two latter bodies, which will cease to exist as detached organizations, will be conducted by special committees of the National Fire Protection Association. The Underwriters' National Electric Association will be entitled the Electrical Committee and the Consulting Engineers will be called the Committee on Explosives and Combustibles of the National Fire Protection Association. The personnel of the new committees will be identical with that of the two former separate bodies, with the addition to each of one or two desirable members. Thus the National Board will not lose the benefit of the counsel of the men who have so long rendered exceptionally valuable service in the two bodies, and the National Fire Protection Association will gain in influence and dignity by this striking addition to its responsibilities and such manifestation of confidence on the part of its distinguished active member, the National Board.

The New York city fire commissioner has lately ordered the **installation of sprinkler equipments** in a number of hazardous fire risks, and it is announced that others will be ordered from time to time until the more hazardous buildings in the congested district have been so equipped. This movement was begun several years ago by the compulsory installation of perforated pipes and a type of cellar equipment which were totally unfit from a fire insurance point of view, as they caused additional loss by the use of water where it was not needed. The equipment being installed now, however, is in all cases the standard automatic sprinkler system, some of which are connected with roof tanks and some to be supplied with water from fire hose attached by outside couplers. The value of each type has been demonstrated recently. In one case a fire started in a sub-cellar on Duane street and worked up into the cellar before it was discovered by a passer-by. When the department arrived and put water into the pipes the fire was wet down and out almost immediately. Every head in the sub-cellar and all but twelve in the cellar had opened. In the other case a fire in the third floor of a building, which had been equipped with a single supply gravity sprinkler system about six weeks before, was extinguished almost immediately with slight loss. The New York city charter invests the fire commissioner with authority to require the installation of safety devices of this character, and if good judgment is used in the selection of buildings the more dangerous of the city's conflagration breeders will soon be eliminated.

The **fire loss of the United States and Canada** for the month of November, as compiled by the *Journal of Commerce*, shows a total of $16,407,000. The following table shows the relative losses of November, 1910, and those of the same month in 1908 and 1909, together with the losses of the other months of those three years:

	1908.	1909.	1910.
January	$29,582,000	$22,735,000	$15,175,400
February	18,489,700	16,131,000	15,489,350
March	16,723,300	13,795,400	18,465,550
April	26,009,000	19,345,300	18,091,800
May	15,181,150	17,360,400	18,823,200
June	19,512,000	14,435,900	13,183,600
July	15,323,750	15,830,900	26,847,900
August	23,123,000	16,423,000	21,570,550
September	21,431,400	15,043,000	11,700,000
October	22,722,850	17,765,200	37,188,300
November	15,834,350	14,808,550	16,407,000
Total 11 months	$223,932,500	$183,673,650	$212,942,650

Our contemporary comments as follows:

It is apparent that many fire insurance companies will show a loss on their 1910 underwriting operations, as 1910 so far is only about $11,000,000 lighter as regards fire loss than the same period of 1908, which included the Chelsea conflagration. At present company managers are much concerned as to the financial outlook and the condition of the stock market, as they base their asset valuations for statement purposes on the quotations at the end of the current month.

There is **trouble coming at London Lloyds** is the statement of the London commercial paper, *Syren and Shipping*, which utters this warning:

We are now drawing nigh to the time when the annual audit will again separate the financially fit from the financially unfit among the underwriters at Lloyds. This is an ordeal awaited by the majority, we trust, with calm serenity, but by some the prospect is regarded with acute anxiety. Again are underwriters asking one another what names, if any, are likely to come before the committee. It has been a bad year for losses, and some can hardly fail to go under. Rumor has been busy with the affairs of a well known underwriting syndicate, still powerful, and a few years ago very strong in numbers. It is said that at least three of the names are shaky and not in a position to meet their liabilities. A private meeting of brokers chiefly interested was held at Lloyds last week, and we are informed that a most serious position was disclosed. The ascertained liabilities are already far in excess of the required deposit, and inquiries failed to elicit any assurance that further assets were available. This condition of affairs is said to have been known to exist for more than six months. How then, it may be asked, if this is so, did the names manage to pass the last audit? Well, the answer is that the audit, excellent precaution

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though it be, is capable of being circumvented. Although hardly credible, it is whispered that in order to satisfy the auditors and to save the reputation of the syndicate as a whole, a large sum of money was advanced on short terms from private sources. After the audit this money was recalled. We hear also of other cases where, in order to secure the account, a well known bank has advanced money to underwriters for a short period, simply to enable them to pass the audit. This is a matter that requires the most careful scrutiny by the auditors, for money so borrowed is a fictitious asset, and if the practice is allowed to continue it will reduce the audit to an absolute farce.

On January 1 W. C. Taylor, who was elected in November, will become **Insurance Commissioner** of North Dakota, succeeding E. C. Cooper. The latter in issuing the final bulletin of his administration says:

This will be the final bulletin issued by the writer while in charge of the Insurance Department of this State. On January 1, 1911, Hon. W. C. Taylor will assume charge of the department, having been elected Commissioner of Insurance in November last, and on and after that date all communications intended for this department should be addressed to Hon. W. C. Taylor. We bespeak for Mr. Taylor the same generous support and co-operation of the people, also the unfailing courtesy and willingness to comply with the law and all proper rulings of the department, evidenced by the corporations coming under the supervision of the department during our incumbency, as have been extended so freely and so cheerfully to us. I believe that all of the insurance corporations licensed to transact business in this State are financially solvent, and are honestly endeavoring to live up to the laws, regulations and rulings of the department; and only those insurance corporations who have complied with the laws of the State and are duly licensed should receive the patronage of the people of the State. We point with pride to the domestic insurance corporations of this State. We believe that they are all in a solvent financial condition, and their management in the hands of honest and capable men; that complete success will crown the efforts of those in charge of these enterprises, and that they will become strong financial institutions which will be a credit to the State is assured. In our report we shall recommend some legislation that it seems to us is necessary to properly safeguard the interests of the people and to enable the department to properly supervise the corporations applying for admission, as well as those who are already admitted.

The New York Life in its current *Weekly Bulletin* to its agents republishes our suggestion of two weeks ago that life insurance companies, when sending **drafts to widows** in settlement of life insurance policies held by deceased husbands, send also a circular warning them against those who lie in wait to snatch such funds from the unwary and inexperienced on promises of large returns on the "investment." The *Bulletin* says that such a plan is scarcely feasible in a company so large as theirs, and advises agents to push their new monthly income policy, just off the press. There is no doubt that the new form of policy, if generally adopted, would successfully prevent the raiding of life insurance funds paid to widows; but what about the hundreds of thousands of beneficiaries under New York Life and other companies' policies written in the years previous to the invention of the monthly income policy? This paper still believes that life insurance companies can do untold good to the public and save thousands of dollars to widows by accompanying every draft in payment of life insurance benefits with a printed word of warning against the "investment" sharps. No one else knows as well as the companies who the beneficiaries are or when the money is to be paid to them, and they have the best opportunity to say the first word.

Under the title of "American Life Waste—Where and How It Is Increasing" a valuable brochure has been prepared and given out for public distribution by **President E. E. Rittenhouse**, of the Provident Savings Life Assurance Society. The author says: "Herein are briefly presented some concrete results of the work of scientific men and others who have compiled, studied and digested the mortality statistics. These results with charts and comments are offered here in the hope that they may assist in the general warfare against needless suffering and loss of life from preventable disease." The work is illustrated with diagrams, and will do an immense amount of good, for which Mr. Rittenhouse is to be heartily thanked. Some of the startling conclusions of the review of health conditions in the United States are "every fifty seconds a life is lost from preventable cause"; "at the present death rate from preventable causes over six million American lives will be needlessly destroyed during the next ten years"; "the State of New York spends for the protection of game, fish and forests about four times more than it does for the State Health Department."

The **Phœnix Mutual Life** insurance company announces the appointment of Orra S. Rogers as **general agent at New York city** in succession to William C. Johnson, who becomes vice president of the Columbian National on January 1. Mr. Rogers started in the insurance business as soliciting agent for the Phœnix in northern New York State; some twelve years ago he came to New York city, continuing as agent of the Phœnix in the agency of which he now takes charge. Subsequently he entered the service of the Mutual Benefit Life, but for the last few years he has maintained independent offices in this city, placing business with the Phœnix Mutual and other companies of that class. Mr. Rogers has already proved himself successful as a personal producer, and the Phœnix Mutual could not have done better than to promote a man of this type from the ranks to take charge of the thriving agency built up by his predecessor. Mr. Rogers is a resident of Plainfield, N. J., passes his summers at his camp at Long Lake in the Adirondacks, and takes an active interest in educational matters, being a trustee of Alfred University.

At the **annual meeting of the Equitable Life** on Wednesday Gage E. Tarbell was elected a director for one year to fill one of the vacancies, and Alphonse de Navarro was elected for two years to fill another. Mr. Tarbell, who was prominently connected with the affairs of the Equitable prior to the investigation of 1905, was warmly received at the meetiug of the Woods general agency at Pittsburgh last week. The other officers elected by the Equitable are as follows: Directors from policyholders, Thomas Spratt, of Ogdensburg; E. B. Thomas, of Philadelphia; J. Edward Swanstrom, of Brooklyn; Wallace L. Pierce, of Boston; Thomas A. Gillespie, of Pittsburgh; E. H. Outerbridge, of New York, and Willis F. McCook; directors from the stockholders, Paul Morton, Sir Wiliam C. Van Horne, T. DeWitt Cuyler, L. P. Morton, C. Redfield and W. A. Day. There was no announcement of the appointment of a new voting trust to replace Morgan J. O'Brien and George Westinghouse, who resigned some months ago, and the majority stock was voted by Mr. O'Brien.

Speaking of clocks, our esteemed contemporary, the *Policyholder*, of Manchester, England, says:

It is interesting to note that what is claimed to be the largest clock in the world is to be installed shortly in the handsome new building of the Royal Liver Insurance Company, at Liverpool. Some idea of the size of the clock may be gathered from the following particulars: Each of the four dials is 25 feet in diameter. The minute hands are 14 feet long, and 3 feet at their greatest width. The hour marks are 3 feet by 1 foot 6 inches, and the distance between the minute marks is 14 inches. The clock is driven by electricity, and it will be possible to control a number of smaller clocks throughout the building.

Our English neighbors will need to **increase the size of their clock** order considerably. The clock in the tower of the Metropolitan Life building in this city has four dials, each measuring 26 feet 6 inches in diameter, while the well known Colgate clock on the Jersey City side of the Hudson, the cynosure of the eyes of thousands of New York office occupants and ferry passengers daily, has a dial of which the

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diameter inside the circle is 38 feet. Outside the circle the diameter is 40 feet.

Insurance payments on **pianos and household goods** purchased **on the instalment plan** under leases which provide that the ownership shall remain with the seller until full payment has been made, depend entirely on the liberality of the insuring company. Under a strict construction of the contract the householder is entitled to only such an amount of indemnity as is equal to his equity in the goods so purchased, notwithstanding the dealer selling the goods can insist on the payment of all the remaining instalments agreed upon. This is rarely done, however, as most instalment dealers carry blanket policies covering their goods wherever located. Sometimes such goods are covered by special policies in which it is agreed that the indemnity shall be paid in case of loss to the parties according as their interest may appear. Most insurance companies will admit liability for the full amount of damage in cases where specific agreement is not made, and pay the insurance to the parties according to their interest.

The committee on **fraternal insurance** of the Insurance Commissioners' Convention will hold a conference at the Hotel Manhattan, this city, December 14 and 15, with the joint committee of the Fraternal Congress and the Associated Fraternities. This meeting is regarded as so important that sessions of the executive committees of both fraternal organizations have been called to meet at the same time and place. The fraternal committee has sent to the commissioner of each State a letter requesting him to have the uniform bill agreed upon at Mobile prepared for introduction so as to conform to the practice in his State as to caption, title, etc., and to furnish the committee with copies prior to the New York meeting. The New York Insurance Department and those of several other States announced at the Mobile conference that they would insist upon certain changes in the uniform bill, and it is understood that this matter will be considered at the conference.

The new Governor of **Connecticut,** who goes into office on January, will have the appointment of an Insurance Commissioner for the State when the term of the present incumbent expires on July 1, 1911. **Commissioner Theodore H. Macdonald,** who has served for the past three years and more, has proved so efficient in the discharge of the duties of the office that citizens, without distinction of party, are expressing the hope that he will be continued in office. In view of the tendency in our political practice to bestow place in the public service as a reward for party work, irrespective of fitness and special experience, a State is fortunate if it can keep the competent official, and such Mr. Macdonald is. Governor-elect Baldwin is a statesman of independent character, and confidence can be placed in his disposition to act only for the good of the State and its invaluable insurance interests.

The **new monthly income policy** just issued **by the New York Life** insurance company affords a regular income to the widow of the insured during her life, or in case of her death the income is guaranteed to the estate of the insured for a total of twenty years. Commuted values are provided for in the absence of direct heirs. The object of this form of policy is to protect life insurance funds from raiding by schemers, and to insure to beneficiaries income payments in the form to which they had been accustomed during the lifetime of the insured—regular monthly amounts. The contract providing $50 monthly at age thirty-five is issued for an annual premium of $290.40, which amount will be reduced to $258.48 in case the beneficiary dies first. The policy draws annual dividends, and has the usual liberal features of New York Life policies.

Instructions are being sent out from **Texas** to all insurance companies doing business there as to the proper method of making **reports of business for the year** ending December 31, 1910. These statements must be filed by March 1, 1911, and the 2 per cent. occupation tax on gross premiums (except life) must be paid before new certificates of authority can issue. All payments must be in Austin exchange, postal or express money orders or cash. Life companies must pay 3 per cent. occupation tax, although companies having 30 per cent. of its total Texas reserve invested in Texas real estate will not be required to pay more than 2.6 per cent., and a 60 per cent. investment will further reduce the tax to 2.3 per cent. Companies so investing 75 per cent. of their Texas reserve pay only 2 per cent. occupation tax.

Our Western contemporary, *Rough Notes,* asks for information as to the present ownership of the **oldest known existing insurance policy,** mentioned in our issue of October 29. The existence of the policy was discovered during a search of the records of the Admiralty Court of England, and unless it has since, by special consent of the court, been transferred to the custody of the British Museum or other public place of exhibition, it is still included among the records of the Admiralty Court, where it was used as evidence in the trial of a case. The Insurance Society of New York possesses a photographic copy of the policy, which as previously stated, is dated September 20, 1547, was issued to one John Broke, and is written in Italian.

The **Missouri** Association of Local Fire Insurance Agents has prepared a **fire insurance rating bill** to be introduced in the next session of the Legislature, providing for a commission of three members to be appointed by the Governor, to whom rates and general schedules are to be submitted by the fire insurance companies doing business in the State. The commission is to approve these rates or to recommend changes thought advisable. Agents are forbidden to deviate from the rates filed or to rebate. President Capen, of the Missouri association, says it is not the intention to have the commission make the rates, but to exercise supervision over the rates made by the insurance companies.

The Austin *Statesman* has the following particulars about the **next insurance commissioner of Texas,** the fourth inside of twelve months:

B. L. Gill, who is to be the new Commissioner of Insurance and Banking, is a prominent banker of Terrell, and is cashier and vice president of the First National Bank of that city. He was not an applicant for the position. He will prove a valuable addition to the official family of the new Governor. Of him Governor Colquitt said last night: "He has been connected with the First National Bank of Terrell for about twenty years. I assisted in securing him his first position in the bank when I was one of the directors of that institution. He is one of the best business men in Texas and a man whose character is above reproach."

From now on the transactions of **the Eastern Union,** whose obituary notice has been printed in most of the insurance journals after what now proves to have been an erroneous diagnosis of its case, will be withheld from the public under a new agreement among its members. News of importance to the public will be made known through a special committee which has been appointed for the purpose. From

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this source it is learned that another meeting has been called for next Wednesday, at which the commissions subject will probably be settled and dates will be fixed for the new rules to go in effect. Vive la Eastern Union!

About sixty of the leading insurance men of the South were in session at Atlanta Thursday and Friday of this week to form the **Southern Conference of Insurance Companies.** H. D. Huffaker, president Inter-State Life and Accident of Chattanooga, was elected temporary chairman, and C. J. Goodman, of Jackson, Tenn., was chosen secretary. The proposed constitution and bylaws were being discussed as this paper went to press. The plan is to form an organization similar to the Detroit Conference to cover the Southern field.

The **Mutual Life of New York** has won out in Nebraska after long litigation over a contested policy claim which involved the question of whether a specific forfeiture clause is required in that State. The case at suit was a claim on a policy on which payments had ceased in 1900. The options as to extended insurance were not exercised, and the contention of the company was that the policy had been abandoned, although the pleading, which won, was that it being a New York contract, the New York laws applied. Application for a new trial was made and will be argued soon.

The **California State Life** is a new organization now under way at Sacramento, Cal. It is proposed to have a capital of $500,000 in $10 shares, to be sold at $20, and the extra money applied to surplus after deducting the cost of organization. The company proposes to write life, accident and health insurance. The stock subscription blanks carry a guarantee that the organization cost shall not exceed 25 per cent. H. S. Bridgewater, S. H. Whisner and J. R. Whisner, the organizers, desire the general agency when the company starts business.

According to Frederick L. Hoffman, statistician for the Prudential, the **overcrowding in metropolitan districts** is responsible for the high death rate. Occupants of rear tenements die oftener than those in front apartments. He advocates laws prohibiting the occupancy of interior rooms not reached by sunlight as living apartments. In the recent measles epidemic in Germany 125 out of every 1,000 cases in one-room apartments proved fatal, while only 11 in 1,000 cases in four-room apartments resulted in death.

For the last three years **fire insurance in Oklahoma** has been unprofitable for the insurance companies. During the past thirty days fires causing a loss of $1,000,000 have been experienced. The recent storms have broken a drought that has extended over all the summer and fall months, and have relieved a situation that was becoming serious as to fire protection. The denudation of forest lands is believed to have affected the flow in the streams, and the construction of reservoirs to conserve the water is advocated.

The **Newport News cases** are to be taken to the Virginia Supreme Court, in case a motion already entered to set aside the verdict and order a new trial is denied, as it is expected to be. The cases now involve a large bill of costs, not including the loss of time to the defendants, and they will be vigorously fought on the part of the defense. The character of the plea to the jury by the prosecuting attorney, Charles C. Berkeley, has been severely criticised throughout the insurance world.

Topics for the "Round Table Talks" at the library of the **Insurance Society of New York** for December have been announced as follows: Tuesday, December 13, "What are the merits of concrete construction, and has it been overestimated as a fire resistive factor?"; December 20, "Is proper recognition being given to fireproof construction, and are the rates inadequate?" E. W. Dart is chairman for December.

A fear having been expressed in some quarters that a growth in number of **fireproof dwellings** will tend to reduce the field of the fire insurance companies, it may be stated that in New York city, the richest city in the country and the place where one would naturally look for fireproof dwellings, there are but 138 of this character. The rest of the dwellings in the country number slightly over 11,000,000.

The total loss on the brick warehouse of **A. R. MacDonald & Co.,** wholesale grocers at Winnipeg, with $220,000 of fire insurance, is held by the city building inspector to have been due to the collapse of the floors before the fire. He had previously complained that they were overloaded. The provincial fire commissioner, however, holds that the fire started before the collapse of the floors.

Complaints are being received in large numbers by the **Texas State Rating Board** from fire insurance agents that they cannot secure insurance from their companies for frame mercantile warehouses and country stores on account of the reduced rate ordered by the board. The board will not take action, it is announced, on these protests until the new general basis schedules are published.

The section of the proposed **new building code for Chicago** which prohibits shingle roofs is being opposed by some builders and property owners, but is strongly urged by those interested in fire prevention, who say the house owner should look beyond the saving of a few dollars and help to eradicate a hazard which was mainly responsible for the enormous loss at Chelsea, Mass.

Application has been made by Insurance Superintendent Hotchkiss for a Supreme Court order directing him to take charge of the affairs of the United States Grand Lodge of the Independent **Order of the Sons of Benjamin,** which Mr. Hotchkiss asserts has been doing business in violation of the provisions of its charter. Increasing assessments are among the things mentioned.

Numerous **Texas** towns are complaining that they have been compelled to pay a high fire insurance **key rate** in order that Dallas might have a low rate. Since the Dallas key rate has been raised the others are asking for a reduction. Numerous fire insurance companies have suspended operations at Dallas on account of the lack of water for fire protection.

It is learned on good authority that the **Merritt investigating committee received only five replies** in answer to the 600 appeals for complaints sent broadcast over the country asking for complaints with regard to fire insurance affairs. Three of these were relating to coinsurance, and indicated that the subject was not understood by the writers.

Reports from Chicago are to the effect that the **lake marine insurance season,** just closed, resulted in a loss to the companies on business affecting hulls, but a profit on cargoes, with the exception of coal and ore. The net profit

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will be small, if there is any. Rates for 1911 season will not be promulgated until next spring.

The consolidated **National-Ben Franklin Fire of Pittsburgh** expects to start business on January 2. The charter has been granted, and the additional capital will be in hand by that time, it is expected. The company will write, in addition to its own policy, a Ben Franklin underwriters' policy, and will continue as a member of the Pittsburgh Underwriters.

The impending contest for the control of the **Citizens National Life** of Louisville has been ended by the retirement of W. H. Gregory as president and R. E. Gregory as second vice president. Both have sold their stock and resigned their positions. Charles D. Pearce, first vice president, will probably succeed President Gregory.

Since F. W. Woolworth, **the 10 cent store man** whose stores are located in nearly every city in the country of more than 10,000 population, is erecting a building on Broadway which is to be higher than the Singer Building, it is interesting to know that Mr. Woolworth carries no insurance on any of his various stores.

The **Western Mutual Life of Council Bluffs,** Ia., has introduced an innovation by doubling the payments when death results from accidents on common carriers. In case of total disability all premiums are remitted, and the company pays $2 a week for $1,000 of insurance for fifty weeks of each year for ten years.

In Kentucky the Court of Appeals has sustained the decision of the lower courts in a case involving the status of the insurance on property the ownership of which was claimed by an **ignorant colored woman who acted in good faith** in making her declaration. The decision was against the company.

The **Texas Life Convention** has been formed with the following officers: Henry D. Lindsley, Southwestern Life, Dallas, president; N. H. Lassiter, Fort Worth Life; O. S. Carleton, Great Southern Life, and W. D. Mayfield, Texas Life, vice presidents; L. C. White, Southland Life, secretary-treasurer.

There has been issued by L. A. Anderson, actuary of the Wisconsin Insurance Department, an opinion on the operations of the **J. F. Kight Audit and Abstract Company,** of Indianapolis, declaring that its advice is based on a false theory as to the fundamental nature of legal reserve life insurance contracts.

The latest entrant to the United States fire insurance field is the **Compagnie du Phenix of Paris,** France, which will be represented here by Starkweather & Shepley, for the sole purpose of reinsuring for the Nationale of Paris, which has just entered this country for direct business.

Following the granting of a New York license the **Sovereign Fire of Canada** is to move its United States office from Chicago to New York. An additional deposit was made in New York State to comply with the California laws, and application to enter that State will soon be made.

The **Newark Fire** re-elected Theodore Coe, James S. Higbie, Alfred F. Skinner, Franklin Conklin and Merritt G. Perkins as directors of the company on Tuesday. The matter of electing a president to succeed the late President Henry will go over until the February meeting.

The **Life Underwriters' Association of St. Louis** is at work in favor of a law making the one who accepts a rebate equally guilty with the one who gives it, and providing immunity from punishment for the one who first gives information regarding it to the prosecuting officials.

The **Union Central Life,** which has delayed starting its new home office building in Cincinnati because of municipal tax suits filed against the company, may abandon the improvement if some amicable agreement cannot be reached with the Cincinnati city authorities.

The courts have confirmed **an assessment** of $45,362 to be levied **on policyholders of the Citizens Mutual Fire** of Holly, Mich., which went into the hands of a receiver two years ago. A reduction of $9,000 was made from the original recommendation of the receiver.

There are now 684 wholly or partially **sprinklered risks in Philadelphia,** of which 434 are on the regular inspection list of the Philadelphia Fire Underwriters' Association, 31 are in the Factory Insurance Association, and 180 are in mutuals and interinsurance concerns.

The **General Fire Assurance Company of Paris,** France, for which Fred S. James & Co., New York, are United States managers, has been admitted to do business in the State of Massachusetts. Messrs. Field & Cowles have been appointed agents at Boston.

The fire insurance on the **public buildings of Winnipeg,** amounting to $667,000, has been given to the non-board companies after a lively competition at a reduction of 30 per cent. in rates and an increase of 50 per cent. in amount of insurance.

A new five story building for the exclusive occupancy of the New York office of the **Hartford Fire** is soon to be erected at 58 Maiden lane, near the corner of William street. The insurance company has arranged for a long lease of the premises.

Notice has been given by the committee of **Lloyds at London** that application will be made to Parliament for extension of its powers to include surety and guarantee business, to act as trustee of funds and numerous other new lines of activity.

The Georgia Fire and the National Home Fire have decided to adopt the contingent commission system. On pre-

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ferred business the commissions will be 20 per cent. and on all other business 15 per cent. and 10 per cent. contingent.

A **New England Association of Local Fire Insurance Agents** has been proposed, to be composed of the various States associations throughout that territory. It is said that the agents are much interested in the proposition.

Three years in the penitentiary was the punishment given out to a Washington, D. C., agent of the Life Insurance Company of Virginia, who had pleaded **guilty** to the charge **of embezzling** more than $3,000 from the company.

The city of **Hartford,** home of fire insurance, is struggling with the problem of **water conservation** so as to avoid periodical water famines in dry seasons. A system of improvements to cost $2,500,000 is being discussed.

The **Sacramento Holding Company** is organizing the Western National Fire insurance company, which is to have a capital of $350,000 and surplus of $150,000. The stock is divided into one million 50 cent shares.

The **Missouri State Fire Prevention Association** has been organized with the following officers: President, W. O. Chamberlain; vice president, Fred H. Wagner; secretary and treasurer, Louis L. Law.

The claim against the **Security Mutual Life of Binghamton** by its former president, Charles M. Turner, now connected with the Federal Life of Chicago, has been settled by the company paying $10,250.

Fire underwriters at **St. Paul, Minn.,** are exercised over the prospect that appropriations for the city **fire department** for 1911 may be reduced, and a protest has been filed with the city authorities.

In the matter of an application for a receiver for the old **Dutchess Fire insurance company** of Poughkeepsie, an order denying the motion was filed by Judge Tompkins on Tuesday.

The **public school fire insurance at Newark,** N. J., has been awarded to the lowest bidders, Joseph A. Wright and Daniel B. Faulkner, at a saving in premiums of about $1,300.

The **2 per cent. tax** imposed in **Rockford, Ill.,** on fire insurance premiums collected in the city has been resisted by one of the agencies and a test case will be made of it.

The **Aachen and Munich** has reinsured its Mississippi business with the Hartford. The State has been an expensive one for a number of fire insurance companies.

The **Puritan Life of Providence,** R. I., has secured the services of Actuary John R. Moody, formerly associated with the Germania Life of New York.

The **Michigan Commercial Fire of Lansing** has reinsured its Southern business with the Franklin of Washington and will retire from the field.

Pennsylvania charters have been granted to the **Guaranty Mutual Fire** of Allentown, Pa., and the **Mercantile Mutual Fire** of Philadelphia.

The **New England Mutual Life** reports a gain of almost 100 per cent. in its volume of 1910 business as compared with that of 1908.

A rate of 5 cents per $100 has just been quoted on a **modern fireproof twelve story building** in this city for office occupancy.

The **Calumet** will have as general agents **at Boston** the firm of Frank Gair Macomber & Co. after January 1.

The **Granite State Fire of Portsmouth,** N. H., has been admitted to Colorado.

Personal.

AGENCY APPOINTMENTS.

Ætna Fire: H. L. Hiscock, manager for Boston and Boston metropolitan district, succeeding the late Alexander C. Adams.

Calumet Fire: George W. Woodbury, special agent for Iowa.

Insurance Company of North America: Neil Stewart, special agent in California, under Manager Johnstone.

Jefferson Fire: William R. Drake, special agent for eleven western States with headquarters at Chicago.

John Hancock Mutual Life: John R. Baird, State agent for Missouri, with headquarters at St. Louis, succeeding the late John J. Raleigh.

Scottish Union and National: John M. Hopkins, State agent in Ohio, effective January 1.

Title Guaranty and Surety of Scranton: Samuel B. Brewster, general agent for Essex County, N. J., with headquarters at Newark.

Mr. W. B. Powell, of Little Rock, has resigned as general agent of the Germania Life in Arkansas and Oklahoma, and will become general agent for the National Life of the U. S. of A. in Missouri January 1, with headquarters at St. Louis.

Mr. Franklin Mann, who has been statistician of the Chicago general agency of the Northwestern Mutual Life for a number of years, has resigned that position and will go into the field as a special agent.

Mr. Alfred C. Newell, who has been Georgia general agent for the Columbian National Life, has been appointed Southern States manager, having jurisdiction over the organization work in the South.

Mr. William A. Gallagher, agency director for the New York Life in Maryland, will come to New York on January 1 to assume charge of Brooklyn, Long Island and Staten Island.

Mr. Howard M. Frost has been appointed assistant secretary of the National Surety Company. He has for some time been connected with the fidelity department of the company.

Mr. Henry M. Fenton will on January 1 transfer from Hartford to Boston, remaining in the service of the Liverpool and London and Globe as special agent.

Mr. W. H. Crandall, formerly for a long time Minnesota State agent for the Western and British America, died November 14, at his home in Pasadena, Cal.

Mr. Russell Murray has been appointed to a position in the surety department of Whilden & Hancock. He was formerly with the National Surety.

Mr. Arthur N. Hislop, for twenty years secretary of the Western Life Indemnity, of Chicago, died Monday at Chicago, from pneumonia.

Mr. W. A. Higgins, of Lynchburg, Va., has been elected resident actuary of the Southern Life and Trust of Greensboro, N. C.

Mr. Franc Nixon Coffin, has been chosen metropolitan manager for the Golden State Life at Los Angeles, Cal.

Casualty and Surety Insurance.

Twenty of the casualty companies doing buiness in this country united this week to form the **Workmen's Compensation Service and Information Bureau,** which is to have headquarters at 100 William street, New York city, and over which a man of national reputation is expected to be appointed as manager shortly. Membership in the new bureau is open to all companies writing workmen's compensation or liability lines, the cost being an annual fee of $25, together with a proportion of the expense, determined according to the volume of business written. The purposes of the bureau are stated in the constitution as follows:

The objects of the bureau shall be to aid in the preparation of plans for the compensation of working people who are engaged in industrial occupations; to devise and recommend safeguards and safety appliances for the protection of working people against the hazards to which they may be exposed by reason of their occupations; to gather and collate information and statistics concerning industrial occupations; to promote the interests of the companies which issue workmen's compensation or liability insurance and the

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service which may be rendered under workmen's compensation plans to the public as well as to employers and employees; to collate and tabulate such experience as may be submitted to it; to make such recommendations from time to time as the governing committee may deem to be for the benefit of the members, and in these several respects to promote the exchange of information which may tend to the proper conduct of the business in which the members of the bureau are engaged.

The officers are to consist of a chairman, secretary-treasurer and governing committee, consisting of the officers and six other members. The present membership is as follows: Ætna Life, Casualty Company of America, Empire State Surety, Employers' Liability Assurance Corporation, Fidelity and Casualty, Frankfort Marine, Accident and Plate Glass, General Accident Assurance Corporation, London Guarantee and Accident, Maryland Casualty, New Amsterdam Casualty, Ocean Accident and Guarantee, Pacific Coast Casualty, Pennsylvania Casualty, People's Surety, Philadelphia Casualty, Royal Indemnity, Standard Accident, Travelers, United States Fidelity and Guaranty, United States Casualty. A meeting has been called for next Thursday.

Formal notices from the companies concerned has been issued of the purchase of a **controlling interest in the Philadelphia Casualty**, formerly held by the Fidelity Mutual Life of Philadelphia, by a holding company in the interest of the Fidelity and Deposit of Baltimore. The latter company thus acquires a well established agency plant for casualty and liability insurance, which lines it has lately taken up. The outstanding risks of the Philadelphia Casualty on January 1, 1911, will be reinsured by the Fidelity and Deposit, which company, in a letter to the agents of the Philadelphia Casualty, states that it prefers to make renewals through the agents and brokers who originally placed the business, thus protecting their interests. President Talbot, of the Philadelphia Casualty, is vice president of the Fidelity Mutual Life, and it has been known for some time that he has desired to reduce the amount of work on his hands.

The directors of the **Fidelity and Casualty Company** at a special meeting on Tuesday of this week **elected Robert J. Hillas as president** to succeed the late George F. Seward. Mr. Hillas had been vice president and secretary of the company, and the directors at the same time promoted Frank E. Law, second assistant secretary, to be vice president, succeeding Mr. Hillas. These appointments had been requested by the home office staff and the agency force, and had also been decided on previously by the directors. Both men are highly capable, and the appointments meet with universal approval.

There now appears to be a hopeless division among European bankers on the question of validation of **cotton bills of lading**. A few of them are disposed to accept the plan of the New York surety companies, and it is expected that after January 1 Vice President LaFranz, of the American Surety, will direct the operations of a New York bureau of validation whereby at least a part of the cotton bills of lading will be guaranteed.

This time it is not the case of a Western insurance company choosing a name similar to that of some other already established. The **Royal Indemnity Company** of Omaha, Neb., organized early this year, has several months the start of its English contemporary of the same name, recently launched to do business in this country.

Now comes a denial from the **American Bankers Assurance Company of St. Louis** that it has completed the deal absorbing the United Surety of Baltimore. The Westerners declare that they have been offered the goods, but will not buy until a careful inspection has been made.

Minnesota plate glass insurance rates will be changed on January 1 to conform to the United States Standard Manual now in use in all other States. The change will cause a slight advance in rates on large sizes of windows and on showcase risks.

The meeting scheduled to be held by **Lloyds automobile men** at Chicago last week was poorly attended, and the report of the committee is to be written out and submitted for consideration before calling another meeting.

The **American Liability Company of Cincinnati**, not yet licensed in Ohio, has voted to reduce its capital stock from $300,000 to $100,000. There has been litigation over the promotion expenses and other matters.

Farmers will be as liable as industrial corporations for injuries to their employees **under the employers' liability bill** which it is proposed to introduce at the coming session of the Wisconsin Legislature.

A special meeting of the executive committee of the **Board of Casualty and Surety Underwriters** will be held next Tuesday to elect a successor to Chairman George F. Seward, deceased.

The final decree of the Circuit Court of the United States enjoining the State of **Nebraska** from enforcing the **rating law** covering surety companies, which the court has declared to be unconstitutional, was filed on Tuesday of last week.

The constitutionality of the **Montana State disability insurance law** is to be tested by the Rocky Fork Coal Company, which has failed to make any of the required payments.

The annual business meeting and banquet of the **Casualty and Surety Social Club** of New York will be held at Reisenweber's at 6 o'clock on Wednesday, December 14.

The **Maine Fidelity Company** of Portland, Me., has voted to increase its capital stock from $100,000 to $1,000,000 by the issuance of 180,000 shares of the value of $5 each.

The **Queen** of America, which has decided to enter the **automobile field**, has appointed McNear & Wilbur, of 34 Pine street, as New York agents.

The **New Jersey Fidelity and Plate Glass** of Newark has been admitted to Rhode Island, with Gallivan & O'Donnell as agents at Providence.

The appointment of Harry W. Crossin as Canadian manager of the **National Surety**, with headquarters at Montreal, is announced.

A branch office of the **Metropolitan Casualty** is to be opened at Chicago shortly. President Winslow is there arranging the details.

The **Provident Education, Life, Health and Accident** insurance company is a new organization at Asheville, N. C.

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ASSOCIATION OF LIFE INSURANCE PRESIDENTS.

Fourth Annual Meeting Held at Hotel La Salle, Chicago, This Week—Important Topics Discussed.

The fourth annual meeting of the Association of Life Insurance Presidents was held at the Hotel La Salle, Chicago, on Friday and Saturday of this week, with President Paul Morton, of the Equitable Life Assurance Society, in the chair.

The address of welcome to the association was delivered by Insurance Superintendent Potter, of Illinois, and a response was made by the Hon. E. B. Sprague, vice president of the Volunteer State Life insurance company of Chattanooga, Tenn.

The papers and addresses read were devoted to two main subjects, "Educational Force in Life Insurance" and "Life Extension Work," in behalf of the public health. Papers were also read on taxation of insurance and investment of insurance funds. On Friday afternoon a discussion was led by Mr. Wilson Williams, general field superintendent of the Security Mutual Life insurance company of Binghamton.

The meeting was holding its first session when this issue of THE WEEKLY UNDERWRITER went to press for its Saturday publication. We print, however, in the following columns extracts from all the addresses and papers read, they having been released for publication on Saturday morning.

ADDRESS OF PRESIDENT MORTON.

President Morton addressed the meeting as follows:

It is hardly necessary to reiterate the aim and object of the Association of Life Insurance Presidents, but in order to briefly inform those who never before attended one of our annual meetings, I will say that this association is four years old, and has steadily increased since its creation in prestige, dignity and utility, and has for its sole purpose the promotion of that which is good and the prevention of that which is bad in life insurance.

The work of the association is educational, and in every sense it looks after the general welfare of its policyholders. The headquarters of the association are in New York, and usually the annual meetings are held there.

There are many reasons why we are holding this meeting in Chicago. First, the natural drift of all good things, especially in the convention line, seems to be toward Chicago. Again, the centre of life insurance, like the Star of Empire, is rapidly moving westward in this country, and today we find it coqueting with the centre of population somewhere not far from Springfield in this State. This meeting is also being held in Chicago out of respect to the wonderful Valley of the Mississippi, which, as I view it, is bounded on the east by the Allegheny Mountains, on the south by the Gulf of Mexico, on the west by the Rockies and on the north by British America. This valley, agriculturally, commercially, industrially, financially and prospectively, is greater than all the far-famed valleys of history, and yet it is only in the vestibule of its infancy, so far as production and wealth are concerned; and in my opinion is destined to have more political power, more prosperity, more happiness and greater influence in the affairs of the world than any other similar area on the face of the globe.

These are some of the reasons why we are here to pay homage to the people of this great valley.

We are also here because of the very heavy investments that life insurance companies have made in the Middle West. We want those who live here to understand that while the estimated reserve held for policyholders residing in the Mississippi Valley amounts to about $583,000,000, the life insurance companies have invested in this same territory over $726,000,000; in other words, we are not, as many are led to believe, draining this section of the country of its money in life insurance premiums and taking it East to invest; but on the contrary we have actually invested over $143,000,000 more in this territory than the total reserves for this same territory amount to, and when I speak of the Mississippi Valley in this connection I mean only the middle States.

Another reason why we meet in Chicago is because Chicago has a larger number of life insurance companies domiciled within its borders than any other city in the United States. There are 231 life insurance companies organized, licensed and doing business in the United States. These companies are located in 116 different cities. New York city today has only 11 of these 231 companies.

I consider that the territory immediately tributary to Chicago, and in a general way I mean the corn belt and the winter and spring wheat districts, is the very best territory in the world in which to insure the lives of men and women. I believe the people in this great agricultural section are better physical risks than those of any other part of the world, and that mentally, morally and financially they have no superiors anywhere, and as I view the matter there is to be the greatest headway in this part of the country in life insurance expansion. There is sure to be an increasing demand for life insurance in the Mississippi Valley.

Fifty years ago life insurance in the United States averaged $5.25 per capita. Ten years ago it had risen to $99 per capita, and today it is estimated as amounting to about $150 per capita. The average per capita in the Mississippi Valley is said to be only about $100, or about two-thirds of the per capita average of the country taken as a whole.

Fifty years ago the total outstanding life insurance carried by all old-line life insurance companies doing business in the United States was less than that now carried by Illinois companies alone. Within fifty years the volume of life insurance business has increased from $165,000,000 to $13,700,000,000, almost one hundred-fold, though in that time the population of the United States has increased less than three-fold. These figures, which in themselves may seem dry and uninteresting, indicate why we at this time deem it proper to hold a life insurance convention in Chicago.

Western people will be glad to know that as a general proposition the Eastern life insurance companies are making an effort to invest their reserve funds in those sections of the country which produce the premiums. I know of one large life insurance company which five years ago had real estate mortgages in only eleven different States, but which today has them in thirty-one different States. I know of one company which has six millions less in mortgage loans in New York city than it had five years ago, and which during that time has increased its mortgage loans in other States about $18,000,000.

American life insurance never stood so well, never was so safe or surrounded by so many safeguards and never offered the public so much for its money as it does today.

The expense of management is being curtailed. Economies of all kinds have been introduced, and dividends to policyholders are being increased.

The chief ambition of the Association of Life Insurance Presidents is to emphasize the fact that these great life insurance companies belong to the people, and that nothing in the way of regulation, taxation or legislation can be done to injure them which the policyholders will not have to pay for themselves.

Recurring to our investments in the Middle and Western States, I wish to say that most of these investments are in underlying railroad securities. I believe that the life insurance companies of the United States own nearly one-tenth of the total amount of money invested in American railways, and personally I know of no better or fairer way to invest insurance reserves, and no way calculated to give more general satisfaction or to be of greater and wider utility than to assist the people of this country in securing and maintaining adequate transportation facilities, and it is the aim of life insurance officials in distributing their investments generally to consider the greatest good to the greatest number.

We are more than pleased to have with us at this meeting such distinguished guests, and consider it a great honor to have

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so many men here who are so keenly alive to the benefits of life insurance. I take this occasion to thank them for their presence.

WELCOME BY INSURANCE SUPERINTENDENT POTTER.

In the absence of the Governor of Illinois the Insurance Superintendent welcomed the association to the State. He said in part:

I welcome you here, believing that you are representatives of the best interests of your policyholders, assuming that in all your deliberations their interests are paramount. The insurance departments of the several States were created to conserve the same interests, hence there should be, not strife and antagonism, but the greatest measure of co-operation between your association and the supervising officials of the various States. The Illinois Insurance Department has assumed that your organization was created to assist in bringing about better conditions in the business through legitimate methods, including those of education and publicity, and it stands ready at all times to assist you. I understand that in the campaign of education you have undertaken you ask the assistance of the educational agencies of the different States, and I welcome you to Illinois, the president of whose leading educational institution is a broad-minded man, ready and fully equipped to aid you in such a campaign.

I bid you welcome in behalf of the great West, of which this city is the metropolis. It is a pleasure to know that your association, and others, notably the Actuarial Society of America, have seen fit to hold some of your meetings in sections of the country remote from the Atlantic seaboard. Statistics of your business show that the major portion of it comes from this vast region, whose people evidently believe in you and in the companies you represent, and in the name of these untold millions I greet you.

The business of life insurance has always had its problems, and necessarily always will. During the agitation that followed the upheaval in New York several years ago, and because of the necessities of the situation, your association was born. Legislation followed the disclosures referred to, some of which, in the opinion of many, was unnecessarily harsh, much of it safe, sane and helpful to the business. By organization you have succeeded in many instances in preventing drastic measures from becoming laws, and in securing reasonable amendments tending to the betterment of the business to laws already upon the statute books, and for your efforts in this direction you should have full credit.

At the same time I ask you, as a supervising official, to advocate and indorse, and to help to enact into law in all the States of the Union, such measures as will be helpful to the policyholders you and I both represent; and I wish to go on record as saying that so far as the State of Illinois is concerned, while some of the companies of your association have opposed vicious measures, as they should have done, I have found them assisting the department in the passage of helpful laws, and in behalf of myself and other supervising officials I bespeak your further co-operation.

The agitation in life insurance circles was not an unmixed blessing. While it settled some problems, it created others. Much has been said about the evils of the deferred dividend, and the errors of the business resulting from a mad rush for volume. Far greater danger to our citizens lies today in the indiscriminate stock selling incident to the promotion of a vast number of new companies, and in the losses incurred by policyholders in many cases by the surrender, owing to the agitation mentioned above, of policies on which many premiums had been paid, because of failure to participate in surplus accrued on deferred dividend policies, in case of their surrender before the end of the dividend period, and because of the high surrender charge frequently made in cases of lapse.

These evils, and others that will arise, will necessarily need the careful consideration of those who have the welfare of the business at heart, and therein lies our opportunity for good, your opportunity and mine. * *

We are glad to note a desire on the part of the officials of the various companies to suppress evils that have crept into the business in which they are engaged, and the net results all along the line are gratifying to all. True and lasting reforms come from within, from a desire to do the square thing, and I heartily congratulate your association in its efforts to better insurance conditions. When we consider that in the panic of recent years, while other financial institutions have failed, the life insurance companies have weathered the storm and the stress, meeting all their obligations as they accrued, we can always be optimistic of the future of the business.

ROBERT LYNN COX ON INSTRUCTION IN COLLEGES.

Mr. Robert Lynn Cox, general counsel and manager of the Association of Life Insurance Presidents, addressed the meeting on the "Nature and Extent of Life Insurance Instruction in Colleges and Universities." He said:

This paper had its origin in a belief on our part that the business of life insurance is steadily and rapidly advancing from a position of being a mere trade or occupation to that of being a profession or calling requiring broad education, thorough training and high character.

We were led immediately to an inquiry as to the extent and character of the instruction being given on the subject of life insurance by American colleges and universities as compared with instruction in other vocations. We then learned that no systematic investigation of this subject had been made for several years, and that there were no tabulations or reports purporting to be comprehensive and up to date.

It seemed to us desirable, therefore, to attempt to supplement existing records, bring them up to date, and thereby set another milestone on the road of progress leading ultimately, perhaps, to the life insurance business being regarded as a profession and the life insurance solicitor becoming in fact an insurance counselor rather than an agent of some particular company.

Life insurance in its incidental relationship to the general subject of economics has been considered and somewhat discussed in college courses for a great many years, but life insurance as a special and separate course seems to have originated with Harvard College in 1897.* Today it is a subject of one or more special courses in thirty-three colleges and universities, with a student body of 80,000. There has been an increase during the last five years of 154 per cent. in the number of institutions offering such courses. Besides, there has been a wonderful development in the treatment of the subject in the various collegiate courses.

But this is not all. There is a group of 191 colleges and universities with a student body of 95,000 which pays varying degrees of attention to the subject in connection with their regular courses in economics, sociology, etc. It is in this vast group, containing many of the representative universities of the country, that the expansion of the immediate future will probably take place. Several of the institutions in this classification are already planning for the establishment of separate courses in insurance instruction.

There is a third group treating life insurance made up of institutions that do not fall into the two former classifications noted. It numbers thirty-nine, with a student body of 17,000. Many of these colleges deal with the subject in commercial law. Others report incidental treatment without mentioning the course involved.

These three groups make a total of 263 institutions treating the subject of life insurance out of 588 colleges and universities in this country. In point of number we therefore find 45 per cent. of the institutions of higher education dealing with the subject. However, these 263 institutions have a student body of 192,000 out of a total of 318,000, or 60 per cent. Therefore, life insurance to a greater or less extent is treated in institutions that have considerably more than half of the college student population in this country.

THE PIONEER LIFE INSURANCE INSTRUCTOR

in institutions of higher learning was the late Charlton T. Lewis, of New York. It was he who presented at Harvard in 1897 what seems to have been the first definite instruction of this kind. It is interesting to note in this connection that Mr. Lewis was an officer of the first association of life insurance companies in this country. This was known as the "Chamber of Life Insurance," which was formed in 1866 and reorganized in the early seventies. Mr. Lewis was the secretary and treasurer of this organization during its second period of activity. He was thus not only identified with the first instruction in life insurance, but also with the first co-operative efforts of the companies. The year after the lectures were given at Harvard Mr. Lewis printed them in syllabus form and delivered them at Cornell University.

The development of the insurance courses has been gradual. A few institutions have followed the line of mathematics almost entirely; more have dealt with the general business of life insurance rather than with the actuarial details; a number have combined both. Courses in a particular institution will sometimes change from year to year, according to the bent of mind of the professor in charge. During the last few years there has been a marked tendency on the part of universities toward establishing schools of commerce and finance, bringing with them, in some instances, somewhat better defined courses in insurance. The aim of these schools of commerce is the professional training of students for business life. The first two years' instruction, as a rule, is of a general cultural and business character, while the last

*This statement as to date and place is in slight conflict with previous reports on the subject, but is made after careful inquiry and is, we believe, correct.

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two years narrow the work down chiefly to specific subjects closely identified with the particular line of business which the student intends to pursue. In some instances these schools of commerce provide post-graduate work only, the requirement for admission of a regular student and candidate for the degree of Master of Business Administration being the possession of a Bachelor's degree from an approved college or scientific school. Opportunities for special study, however, are open to students not candidates for a degree. There are other institutions which, while having no definite separate school of commerce and finance, present enough business subjects to provide almost as thorough a business training as that given in the separate schools. Then there are other institutions offering insurance courses which do not have any related business subjects to speak of. Their course in business insurance or in actuarial science, or a combination of both, whichever it may happen to be, usually stands by itself.

Another classification of these institutions which give more than average treatment to the subject might be made on the basis of whether their courses are devoted wholly to life insurance or whether other branches of insurance are treated in the same course. In fact, the way in which most of the data was presented by the institutions themselves makes this a natural division. Out of the thirty-three institutions referred to eighteen give one or more courses dealing with life insurance exclusively. This does not necessarily mean that other branches of insurance are ignored, for in some instances they, too, are made the subject of separate courses. It is in the group of institutions having separate life insurance courses that the university school of finance and commerce is usually found. There are

FIFTEEN INSTITUTIONS GIVING COURSES IN GENERAL INSURANCE,

and in these the life branch of the work usually takes up about two-thirds of the time. The actuarial side receives little or no attention in this treatment of the subject. The work, as a rule, deals with the historical, economic and social aspects, the organization and management of companies, analysis of policy contracts, etc. In two or three instances these courses, covering several kinds of insurance, give more thorough instruction in life insurance than some courses devoted solely to the life branch.

As to the annual attendance at the courses in insurance given in these thirty-three institutions, it varies from five students to forty students, so far as reports on this point have been communicated to us. The larger attendance is usually in connection with general courses on insurance, which, up to the present time, have not played as great a part in preparing men who later entered the life insurance business as the courses devoted solely to life insurance have done. Doubtless this is because students taking general courses did so as part of their general business education, while men entering the life insurance courses had more definite ideas as to their prospective vocations. Thus in one year there were forty students in Prof. A. W. Whitney's general insurance class at the University of California, and, so far as the college authorities know, few, if any, went into the life insurance business. In the actuarial courses at the same time there were only four or five students, practically all of whom went in to the life insurance business. Of five men taking the life insurance courses at Harvard in 1908-1909, Prof. Herbert B. Dow reports that three are now in the business. One is doing actuarial work in St. Louis, one is in a Boston home office and a third is in the agency field. At the University of Michigan, where very comprehensive life instruction was given at an early period, Prof. James W. Glover reports that twenty-five graduates are holding home office positions, and that many other graduates are doing agency work. At the University of Kansas last year eighteen students took the general insurance course, and Prof. Ralph W. Cone says the demand has been as good as for most of the courses in applied economics. There were fifteen students in the class in general insurance at the University of Nebraska last year. At New York University twenty-one men are taking the actuarial courses this year, while a course in "Insurance Law and Practice" and another in "Principles of Insurance" have an enrollment of about thirty students each. These two last named courses are taken, for the most part, by students in accountancy who desire to become familiar with life insurance practice so far as it may enter their field. In one instance a student is preparing for the position of State insurance examiner. So far as known, agency work was not the aim of any of the students. These reports indicate that extensive machinery giving life insurance instruction is in operation in many institutions, but that it s not used nearly as much as it might be for the training of men for the agency field, where there is unlimited demand for men.

In point of number far more colleges and universities treat the subject of life insurance in courses on economics or sociology than under all the other heads combined, there being 191 institutions in this classification out of a total of 263. These 191 institutions have 95,000 students. This class would seem to present a splendid field for the development of separate insurance courses. A few of these institutions furnish a treatment of the subject that almost approaches a separate course, while at the other extreme of the group are colleges devoting as little as half a lecture during the year. In isolated instances special individual instruction is given to students who indicate a desire to enter the life insurance business. In some institutions the design of the treatment given in economics is to teach the student how to select his own insurance intelligently, but in a large majority of cases the treatment deals with the broad economic side of the question.

Mr. Cox also referred to work done in theological seminaries and women's colleges, in the schools of the Young Men's Christion Association and insurance institutes. In concluding he said:

Many of the colleges and universities are groping more or less in the dark with respect to this study. They seem to see a field for the work, although the fulfilment of that vision is handicapped by inability to get definite information or by lack of resources. As the result of our correspondence, many institutions have applied to us for information and suggestions. Requests have been received for recommendations of suitable text books. Others have inquired for names of persons who could act as instructors in the work in their colleges. Others have asked if we could not supply occasional lecturers. We have responded to these different requests to the fullest extent possible within our present limitations. Thus it will be seen that since we began to gather the statistics we have acted more or less as a clearing house, and I have no doubt but that merely as a result of this incidental work considerable impetus has been given to the movement.

This naturally leads up to the thought that perhaps we ought to keep in close touch with this work, giving such advice and counsel as we are able to give, and perhaps arranging for exchange of information between the representatives of universities and other institutions desiring to establish courses and those who have had experience along this line. It is a work in which every one holding a responsible position with any company, whether it be in the field or the home office, is in duty bound to aid. There are doubtless many men in the various home office and agency forces who are qualified to address classes in universities and colleges, and who would be willing to do this work for the benefit of the great business in which they are engaged. Home office officials, working individually and occasionally, have done much to encourage the instruction now given in various classes of educational institutions. Working collectively, and along definite lines, their accomplishments can be multiplied with little or no additional expenditure of energy.

MR. MOIR ON INSURANCE EDUCATION IN EUROPE.

Insurance education in Europe was treated in an exhaustive and learned paper by Mr. Henry Moir, associate actuary of the Home Life of New York, under three heads, technical training instruction in universities and general professional training. In summing up he said:

It would almost appear as if the attempts at popular education were more enthusiastically undertaken from fifty to a hundred years ago, at least if we can judge by the number of books written at that period, addressed to the public and not to any particular technical class. These old books are found in many old libraries, and were evidently intended to educate the people. Whether or not they had any extended sale is doubtful, yet from the fact that an old work like "Price on Annuities" went through six or more editions it would appear as if the general readers of scientific works took more interest in the subject than they do now.

It seems to me that one or two brief and simple essays dealing with the main principles of insurance and explaining simply the basis of life, of fire and of other forms of insurance, could with advantage be incorporated in the course of reading used in the higher grade schools and in institutions of learning, especially where a commercial course is promised. A few pages would be sufficient to educate the coming generation in the principles of the business, but these few pages do not seem to have been written or to have been contemplated in educational circles.

MR. E. A. WOODS ON LIFE INSURANCE WORK FOR COLLEGE MEN.

Mr. Edward A. Woods, manager for the Equitable Life for the Pittsburgh district, was the author of a fine discourse on life insurance as a life work for college men. He said in part:

I have purposely referred little to the official or actuarial side of life insurance because its great field—requiring the most men and paying best and being, above all, the most useful—is in spreading it. The man who can sell it not only commands the best and

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most certain income, but does the greatest service. The $83,477,-230 paid to the agents of the companies is nearly five times the $18,569,923 paid to the officers and salaried employees. There are more agents required, their work is more profitable, more permanent, more certain and more independent, and their advancement is more solely dependent upon themselves. Of the probable 75,000 life insurance agents, at least 20,000 are agents of industrial companies and a very large proportion of the balance give but a part of their time to life insurance, being engaged—especially in small country towns—in fire insurance or other business, in addition to effecting some life insurance. The average income of the real life men or companies other than industrial will bear a more than favorable comparison with that of other professions, considering the expense and loss of time in acquiring the professional training in the other professions.

Thirty years ago, when I entered the business, it was not known and enough persons had not been sufficiently successful in it to attract, as a rule, successful or trained men of any kind. It was then even frowned upon by several influential religious sects as immoral and flying in the face of Providence. The methods and men then employed differed as much from those of today as the former barber doing cupping and leeching differs from the now trained physician. But today hundreds, if not thousands, of conspicuously successful college men have started to make life insurance their life work and be worthy of it. In all its branches, as solicitors, agency officers, general agents and officials, these college men are pre-empting the field and rapidly advancing, as trained, educated men will, as a rule, in every field. While dangerous to give general figures—and average ones tell little—there are many men in the field equipped only with energy, integrity and industry, requiring little capital—principally a willingness to work—making more money than the presidents of their companies, and many very successful women.

Its most successful men and women are pursuing the highest methods—avoiding competition, rather understating than overstating facts, engaged in a healthful, independent, largely out-of-doors occupation, selecting their own clients, never fearing unemployment, dependent for success solely upon their own resourcefulness and energy, not required to slavishly carry out orders of superiors, but cultivating their own initiative, and broadening and developing with each year's experience. They understand that the chief value of early work is the clientage for the future, and that the success which will certainly come with increasing years' experience and service is lost to the transient. They form the strongest and most lasting friendship among their clients and they grow more prosperous as they grow older, feeling yearly better satisfied that their occupation has been worth while and supported in their old age themselves by the renewal income, a peculiarly attractive feature by which, in case of the death or incapacity of the agent, commission on business previously placed continues to be paid to him when unable to work himself, or to his heirs when no longer living.

As his compensation comes from the future, as well as the first payments made, he is directly interested in the thorough and permanent satisfaction of his client. He is compelled to associate with persons of good morals and habits, who care for their families, as there is little clientage among the dissolute, the drinking or the unhealthy. He is taught by his vocation to save, to foresee the future, to care for his family, and that drinking, immorality and excesses of all kinds do not pay even in this life. The strongest temperance lessons in the world are taught by the statistics of insurance companies.

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But, above all, as he looks back upon his years of accomplishment he feels a satisfaction in having not only made a living, but in having done things worth while; in being actuated by a feeling of service to his fellow-men. This will be a century of social uplift; tremendous forces are at work to raise the whole level of society, and one of the most powerful of these is the vast, although recent, institution of life insurance, penetrating and permeating all classes and knitting together, in a firm bond for mutual protection of family and self, all people in this great nation and even reaching out to others. It is a far better social device than when imposed by an arbitrary government or socialist party. It teaches that we are our brothers' keepers; that he who provideth not for his own is worse than an infidel; that the protection of the home, sacrifice of the present, with all that this means in the upbuilding of character, is a high duty. It shows not only that our duty in life is to first regard the interest of others, but that success, in this field at least, is most largely and certainly attained by those who believe that true success, as well as happiness in life, comes from giving, not getting; whose creed lies not in the belief that the world owes them a living, but that we owe it to the world to make it better worth living in.

THE SOCIAL UPLIFT OF LIFE INSURANCE.

What is being accomplished by insurance in the mass is difficult to estimate because of its recent development, but already investigations are showing its beneficial effect upon society. In England the poor rate, which at the beginning of the last century was increasing $500,000 a year, is now decreasing $15,000,000 a year, largely because of the spread of life insurance. The number of paupers is said to have decreased in this country from 132 in 1880 to 101.4 per 100,000, or approximately one-fourth, largely because of life insurance. Careful investigation in many orphan asylums, as well as in prisons and reformatories, shows that these classes are recruited from the families of the uninsured. A recent prison report in England shows that among the illiterate criminals the beneficiaries of life insurance are not represented. Remedying these evils by life insurance is in harmony with the present disposition to prevent an evil instead of the more uncertain, expensive and difficult attempt to cure it. Is it not worth while to spend one's lifetime in spreading such a beneficent institution? Because of the insurance man's efforts widows will be left in comfort, children will be provided for, educated and kept from vice, and old age will be safeguarded and stability be given to society, thrift increased, and poverty, sickness and crime decreased. One by one civilization is meeting and overcoming the great forces that lie in the way of progress—ignorance, pestilence, famine, war—and now we are combating disease and gradually lengthening average human life. Poverty is today being considered by advanced thinkers not as a necessary evil, as war, pestilence and famine were formerly regarded, but as something that society will and ought to meet and overcome, and such institutions as savings banks and life insurance companies are among the most powerful factors in removing these great hindrances to human progress. Is it right that five million women in this great and wealthy country are compelled to earn a living, and that ninety per cent. of our widows lack the comforts of home and thirty-two per cent. the necessities of life? Is it possible we cannot improve conditions under which eighty-nine per cent. of those who die leave nothing and ninety-five per cent. almost nothing? Do not the nearly 2,000,000 children under sixteen earning a living when they should be at school and building up a physique for later life—does not every child selling newspapers on the street and exposed to its temptations, proclaim the need for better provision for those who will be our future citizens; and should not the feeling that life insurance will, in nine cases out of ten, probably be the sole support of the insured's family, give energy and conscientious judgment to its advocates? If the robbing of the widow and orphan is proverbially infamous, how worth while is it to promote their comfort by the strong, conservative institution of life insurance, and is not this profession worthy of the best that there is in the young man deciding upon his life work, in affording not only a practically unlimited and yearly more permanent income, but in giving him a magnificent and daily opportunity of serving his fellow-men?

VICE PRESIDENT DEXTER ON THE COLLEGE AND LIFE INSURANCE.

Mr. George T. Dexter, second vice president of the Mutual Life insurance company, delivered an address on "The College and What It May Do for Life Insurance." After stating that proficiency in the practical work of soliciting is attained only in the school of actual practice, and that peculiar native talent, a broad knowledge of men and affairs and a deep insight into human nature are essential, he said:

Can the college meet these practical requirements? So far it has not attempted to do so. Its effort has until now been generally limited to popular courses of lectures, remarkable as an innovation and for the interest they have aroused, both among students and lecturers. Insurance has thus received high recognition as an important branch of economics, grouped with railroading and banking. Naturally the business of insurance as a dignified calling has thus been presented in a new and favorable light before many young men, and, consequently, numbers have taken it up after graduation. It will be interesting to learn, after a proper length of time for experiment, what degree of success is attained by these graduates and whether the percentage is higher than among other classes of agents. It is in the spirit not of criticism but of suggestion that the opinion is advanced that beyond awakening an interest in insurance the present college courses do not aim to accomplish much, and that they fall far short of creating and equipping agents. For one thing, the majority of students who take the insurance lectures are influenced in no negligible degree by the desire for an easy optional in senior year. The elements of life insurance are so simple, and the

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classroom is so sheltered from the storms of competition in the outer world, that the student is apt to find many shocks when, leaving theory, he attempts to sell policies. It is like hearing a lecture on swimming and then being thrown from a cliff into the sea.

Popular courses on insurance are therefore to be regarded, as training schools for agents, in somewhat the same light as senior year course in constitutional law—information that a gentleman ought to have, but purely introductory to any real knowledge of the subject, and to be followed, in the case of those entering the profession, by hard work in special technical classes. My judgment, therefore, is, that in addition to the present courses, we need post-graduate courses, affording instruction in all branches of life insurance, and giving a degree or diploma. A summer school might be conducted upon the practical lines of forestry schools, which, after courses in botany, take the students to live among the trees.

But, after all the lectures and the books, the final course should be the actual selling of policies in company with real insurance men; for the college can do more than instruct him merely in the *science* of life insurance. * *

Cannot a special or post-graduate course in life insurance offer similar facilities for putting into practice the theories of the lecture room? Students may be appointed to solicit one another, coached and criticised by instructors; or the latter may themselves, as canvasser and canvassed, present illustrations of the demeanor, the objections and the protests of the prospective applicant under the ordeal of solicitation, with the arguments and answers of the expert solicitor.

These made to order methods may be helpful to a degree, but they are not the real thing. The student, in canvassing a fellow student, feels none of the deadly timidity, embarrassment and hesitation which assail him when, in actual practice, he approaches the busy, brusque, perhaps uncivil, prospective applicant, to whom, for the moment at least, he is *persona non grata*. In the fictitious canvass he may be cool and self possessed. He is at least in no fear of the prospective applicant—a fear that is far more depressing than the natural shyness which he may feel in the presence of his class.

Why may not the life insurance course include actual solicitation in the field, under the direction of, perhaps at times in actual co-operation with, the expert instructor? The student may be sent out in search of available material—to obtain the names and addresses of eligible persons, their ages, the insurance they carry, and any miscellaneous data that may useful or convenient in a subsequent canvass. Having made his report, with a statement of his experience, he is duly coached as to the canvass of such case or cases as seem most promising. When expedient and practicable, an instructor or more experienced solicitor leads or assists in the canvass. Always there is the subsequent review of the case, with a study of the errors made, and the remedies and improvements that the circumstances suggest.

There is nothing new in the plan here briefly outlined, unless in its suggestion as a feature of the special or post-graduate college course, for it is the method long used by managers and general agents in the training of new men as solicitors.

To sum up, I suggest the incorporation in the regular college course of a minimum amount of instruction in life insurance for all, and in the special or post-graduate school, with its more comprehensive curriculum, for a selected few; the general instruction for all to be of the simplest character, chiefly or wholly oral, and limited to a dissemination of such knowledge of essential principles as every man and woman should possess. The post-graduate or special course, perhaps the course of a summer school, should include a more extended study of the subject, a preliminary training in actuarial science, and, for prospective agents, in addition to instruction in general principles, a training in the theory and practice of soliciting.

It is not to be supposed that in the discussion of these questions I have in mind anything beyond the general rule, or that I fail to admit the exceptions to all rules. Very young men, with little or no technical knowledge of life insurance, but endowed with peculiar natural gifts—great persuasive powers, abundant self confidence and innate knowledge of human nature—have sometimes succeeded as life insurance solicitors from the very first, in spite of their youth and inexperience. Likewise, men of older years, who have not found congenial or profitable employment in other lines, and who were also without a scientific knowledge of the business, have been large producers from the beginning. These are the exceptions, and even these would have done a better if not a larger work if possessed of broader knowledge of the principles of the business, for they would have been wiser counselors of the insured.

PRESIDENT DUNHAM ON THE TRAINING OF AGENTS.

President Sylvester C. Dunham of the Travelers insurance company read a paper on the systematic training of agents, in the course of which he said:

It is not the purpose of this paper to show that a plan has been devised whereby a six weeks' course of instruction will completely remedy this evil and completely educate a man in the principles and practice of life insurance and in the art of salesmanship, nor is great originality claimed in opening a department for the systematic training of men for insurance work. That method was rather forced upon the company by the rapid growth of its liability business, which is a complex and recent form of insurance for which not many men have qualified themselves. Men were needed, and because they could not be found they had to be made. The plan of training men without previous insurance experience worked so well in the branch of the business for which it was devised that it was extended almost in the first year to others, and satisfactory results have been achieved in all.

For this work some business experience is the best preliminary training. Among the recruits are many salesmen, not a few who have been engaged in manufacturing or banking, an occasional lawyer or teacher, and others of various employments, all under thirty-five years of age. No candidates are accepted who have been unsuccessful. After six or eight weeks' instruction these men are ready to begin work in the field as branch office managers, cashiers, adjusters, auditors and as solicitors. Six years of observation has shown that the home office training is most beneficial. If rudimentary, it is thorough and accurate as far as it goes, and provides a foundation of principles upon which can be built development and success.

The instructor is a man of experience in all the branches of the company's business, who between terms refreshes himself by practical home office and field work. The conversational method is employed in the classroom, and there and outside the pupils read text books and analyze contracts and rates, and otherwise study the subject of insurance and the art of salesmanship. Officials of the company and visiting representatives from the field sometimes participate in the work of instruction.

An acceptable candidate enters the service of the company when he enters the classroom, and receives compensation from the beginning. Exceptions to this practice are made when agents of several years' experience want to spend a few weeks at the home office training school to improve their knowledge of principles and methods and to add to the accuracy and comprehensiveness of what they already know.

The beginner devotes the first three or four days or more to the study of the history, organization and practices of the company. He is then assigned to the division in which he is expected to work. If in the life department, which is the one of most interest to us, a week is spent in the study of life insurance history and its fundamental principles and practices. An understanding of the elements prepares the student to discuss, analyze and compare contracts. Considerable memory work is required in order that the advocate may accurately and with little hesitation explain the provisions of the policies. During this period the best methods for interesting men who need it in the subject of insurance are explained and illustrated. Much time is given to consideration of the forms of insurance appropriate to the circumstances of men who have special needs to be supplied. During the following week demonstrations are practiced, the effect of which is that the pupils and the instructor review and criticise among themselves the knowledge that has thus far been acquired and apply it as it must be applied in actual work in the field. These exercises develop the keenest interest among those who engage in them and who are called upon to match their wits, readiness, memory and persuasiveness against the like talent and knowledge of the other men. What is lacking is discovered, and the man whose deficiency is shown is diligent in supplying it.

The same instruction is continued during the fourth week, to which is added information of the company's branch office and agency system, the rules and practices under which agents account for the work they do and by which relations are maintained by the home office with the branch offices and the individual workers.

The training and discipline of the home office school is continued from four to six weeks, and in some cases longer, depending upon the aptness of the pupil and the work, sometimes a specific position, for which he is training. When a man is ready for practical field work he is assigned to a branch office district and begins under the supervision of an experienced manager.

The number of men thus far trained is 267, of whom 132 are now in the company's service and concerning whose permanent success there seems to be little doubt. Several who received training, and thereafter did good work have resigned and have accepted positions as department managers in general insurance

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agencies. The service of these men is not lost, because in placing business of the agencies with which they are connected they very naturally and properly favor the company in whose service they were trained. Some have been persuaded to enter the employment of other companies that recognize the value of their training as cashiers, managers and solicitors. If we add this considerable, but unwilling, contribution to the general welfare to the number of men who remain with the company, we find that the ratio of successful insurance men who came to the training school without previous insurance experience is raised to something like 75 or 80 per cent. * *

A good education is essential to success. Mental discipline and a thoughtful habit are part of the necessary equipment for obtaining an adequate understanding of the relation of insurance to other great social and economic influences. It is a subject that demands much accurate and orderly thinking, and an appreciation of the nature and progress and purpose of civilization. But the college man does not always meet with the most immediate success. In assuming the responsibilities of life in many employments he has to readjust his attitude, and that it is not always an easy process may mean that the relation of college training to practical affairs is the most important problem the modern educator has to solve. Instead of taking up insurance, he seems to descend to its level. When it finally engages his interest he can turn to good account much of his knowledge and all the resources of a disciplined mind.

WOMEN IN THE LIFE INSURANCE BUSINESS.

Mrs. L. C. Rawson, vice president of the Des Moines Life Insurance Company, spoke on the "Opportunity for Women in the Life Insurance Business." She said:

That woman has embraced "opportunity" or had opportunity thrust upon her is shown by the number who are following a business career. The past fifty years has seen many marvelous developments, and of these not the least wonderful has been the broadening of the field of women's activities and opportunities. The time was, within the memory of our mothers, and perhaps even of some here present, when a young woman desiring some employment outside her own home might have the wide choice of becoming either a school teacher, seamstress or domestic servant. Only a few brave ones dared to think of the professions, and office work was relegated to the men.

It is needless at present to speak of the varied fields which are open to women and to which they are gladly welcomed, and where their work has become indispensable. Woman is the natural conservative, and she has been content to work where man has pointed out that she should work and leave the more experimental, daring and fascinating pursuits to her brothers. Her natural attitude and capacity for an infinite amount of routine work has been the means of keeping a large number of women in positions as stenographers, teachers, bookkeepers and like pursuits, and men were quite content that it should be so, feeling that many things were too deep, too intricate for women.

The science of life insurance, in itself a very modern development, and only gradually unfolding its mysteries and intricacies to the minds of the greatest mathematicians, and even yet practically in its infancy in many of its aspects, was rightfully regarded by women with a great degree of awe. The visits of life insurance agents of days gone by resulted in a greater degree of mystification, although probably the number of women who refused to have their husbands take out a policy, fearing it might be immediately fatal, were in the minority.

Today we find women of strong character and clear brain who have joined the ranks of workers in this "field of mysteries," who are making for themselves enviable places in varied capacities. How great the opportunities for woman are in this particular line of activity depends upon her equipment. Her natural qualification is many sided. She is by nature a philanthropist, and, as we all admit, ours is the greatest philanthropy, she is in her element. She is a natural teacher, and who will say that writing life insurance is not a process of education? To her tact, earnestness, intuition, if you please, in financial conditions, add abounding health, a mind trained in the fundamentals of insurance, and you have the well equipped insurance woman.

All women contemplating an insurance career should, if possible, add to their natural equipment a scientific course on the subject of life insurance. This seems to be the age of specializing throughout the business world, and life insurance has been added to the list of subjects for special training in some of our institutions of higher learning. Men eagerly take advantage of these opportunities for specializing. Woman should not be slow in grasping the implements with which to entrap success.

Woman has been tempted to go into the field work of life insurance, returns being so much better, and there she is doing splendid work. Her knowledge of what she has to sell and her tact cause many a man to feel that he has never realized his full duty before, and when a good day is finished, she has the sweet satisfaction of knowing that she has had a part in wrapping the beautiful "mantle of protection" about deserving ones. Nor does she stop short upon convincing the individual of his responsibility for those dependent upon him, but she will also leave him to consider that after years of success a day might come when the use of the accumulation upon this insurance might ease his aching brain and tide him over a disagreeable place financially.

Not only does woman need this opportunity to gain money for the present and the future, but the companies have need of brainy, energetic women to meet the constantly growing demands of the insurance business.

Upon investigation of some ninety companies in this country and Canada, we find there are something over 7,000 women engaged in the life insurance business. Of these, 137 are acting as medical examiners, 92 are managing branch offices, 514 are soliciting agents, and the remaining 6,000 in the capacity of cashiers, stenographers, policy writers, bookkeepers and assistants in various departments.

And why are the opportunities so much greater for women in the insurance field? A few statistics will show. The faithful, capable office woman is considered well paid at a salary of $75 or $80 per month. Many are working for $40 and $50 per month. Our women in the stores receive from $50 to $200 per month. Teachers, about the same. The practicing woman physician does well if she nets $150 per month. Our successful woman insurance agents are writing from $150,000 to $300,000 per year. This means an annual compensation of approximately from $2,000 to $4,500. One woman writes me that her specialty is writing school teachers. She says they are good pay. When two or three are written they are splendid assistants in getting others. She says these teachers usually take $1,000 ten year endowment policies. One woman agent I have in mind writes about 200 of these each year, giving her between $3,000 and $4,000 per year in commissions. Another woman agent counts among her laurels $75,000 written upon a single life. The successful writer of life insurance may also add to her income by personal efforts in keeping the business she has written on the books. Any company is very willing to pay a renewal commission for such efforts. While a satisfactory income is being realized from the commission, she is also creating a neat little estate through the accumulation of renewals. It can readily be seen that the field of life insurance underwriting furnishes greater financial returns to a successful woman than almost any other line of business. At the same time she has better hours, more leisure and more independence. She comes daily in contact with the thrifty people of the world, and they are a constant inspiration, for she unconsciously absorbs from each some of the divine flame that has led to success.

The older and larger companies are certainly teaching the smaller companies, and particularly those of the West, the lesson of using the material at hand, for of the 514 women agents, most of these are employed by Eastern companies. There is opportunity for women in the West.

We believe that life insurance business offers brilliant opportunities for the woman of ability, and a pleasant and fascinating field for her endeavors.

PROFESSOR ADAMS ON INSURANCE TAXATION.

Thomas Sewall Adams, Ph. D., of Washington University, St. Louis, read a paper entitled "Some Obstacles Which Delay the Reform of Insurance Taxation." The following were his conclusions:

1. Much as I should like to think otherwise, I cannot divest myself of the conviction that any hope of complete uniformity among the several States in the matter of insurance taxation is utterly Utopian. The fiscal burdens of the various States differ greatly, and I do not see how they can be expected to tax at the same rate. As I see it, there is just one way—short of a constitutional amendment—of securing uniformity, and that is through the action of the insurance companies themselves: by adjusting premiums or dividends or both to the varying rates of taxation, thus charging more in States which tax more and less in States which tax less. I am aware that the expedient has been tried and abandoned by one or two companies, and I know that it could be introduced in unwise ways that would do more harm than good; but there are a dozen methods of reaching the desired end, and among them the ingenious actuaries should surely be able to find a practicable way. Until some such method is introduced every State is deterred from lowering taxes by the knowledge that forty-five other States would share the benefits of the reduction, and the actions of the insurance companies, speaking more eloquently than words, constantly suggest that the tax burden after all is such a minor consideration that it does not pay to give ex-

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pression to it in the price of insurance. There are two things to be accomplished in this connection: The equalization of the tax burden, whatever it is, and the reduction of that burden, if it is shown to be unjustly heavy. The plan here indorsed is suggested merely as a means of equalizing the burden. It would not, of course, prove that the policyholders (as distinct from the companies) pay the taxes. That is a question of fact which cannot be settled by a mere method of charging. But it would be an amazingly eloquent way of stating to policyholders and the world at large what the insurance companies believe on this moot point.

2. Before the taxation burden will be substantially lowered, in my opinion, it will be necessary to provide the doubting public with more facts. I raise the question, without presuming to recommend, whether it would not be a wise thing to secure the appointment of a commission to investigate this subject, selected in such a way as to ensure impartiality and composed of such men as to command confidence. I feel very certain that nothing would go so far to secure justice in this matter of taxation as the finding of an able, impartial commission, appointed not against the wishes of the insurance companies, but at their request, given free access to all the facts and clerical assistance to exploit and study these facts. It is what the men who think seriously about this question are most anxiously waiting for.

3. In the end, like the muddled orator whom Speaker Cannon once rebuked, I "come out of the same hole I went in at." The insurance companies can do much by pointing out the mistakes of logic which the agnostic makes, by clearing away the misapprehensions under which he labors, by calling attention to forms of investments less worthy than old line insurance now wholly exempt from taxation, by supplying facts proving the economical management of insurance companies and describing the income, wealth and general social status of their policyholders. But they can do most by joining wholeheartedly in the campaign for a general clean-up of taxation. For it will not be the special pleaders who will deserve most in the coming years, but those who come with clean hands into the great court of public opinion and generously ask not that their own wrongs be remedied, but that a great stain upon democratic government be removed, whose most eloquent pleading is not for a reduction of their own scores, but for a new and just reckoning of all obligation, anxious first of all that democracy shall cast the scale from her eyes, confident that when she sees she will grant them individually all they hope for or wish—simple justice.

MR. LAUGHLIN ON THE PEOPLE'S INVESTMENTS.

James Laurence Laughlin, Ph. D., of the University of Chicago, made a plea for the safeguarding of the investments of life insurance policyholders, 48 per cent. of which are in bonds and stocks of all kinds. Of these railway bonds are represented by $1,225,576,728 and corporation securities by $250,000,000. He deprecated the attacks on the railroads, and particularly on their efforts to meet increased expenses by increased rates for freights. The people's investments in railroads must be saved by economic sanity. Mr. Laughlin in summing up said:

To policyholders it is not a light matter that of the $9,118,101,813 bonds issued by steam railways in the United States, thirty-five companies own $1,225,576,728 of them.

The ability to make earnings and pay dividends is a function of several variables. Higher wages may not go with greater efficiency; if not, and if more is paid for the same service, then net profits are directly lowered by the increase of wages. Higher wages may possibly bring more efficient service, greater accuracy, a better quality of man, greater freedom from accident and damage, and thus more than recoup the company for the increased outlay. The outcome hinges upon whether this efficiency can be brought out by the act of the employer or not. Generally, when increased wages are given, the increased efficiency depends upon the will of the receivers of wages. If we had an ideal laboring force, greater efficiency would usually go with higher wages, or shorter hours. As a matter of fact, the managers of labor unions seem to hold that strict discipline by the company, and discharge on account of neglect of duty, is contrary to the rights of workmen. Under the conduct of most unions—not all—increased efficiency will not be the consequence of higher wages. If such are the facts, then the railways should be allowed to increase the price of traffic to compensate for the increased expenses of operation. If general social causes have increased the cost of living for workmen, then they may legitimately ask for higher money wages, and society could have no excuse for refusing the companies as compensation a higher rate for transportation.

If it be put that the increased cost due to higher wages could be compensated for by devising other forms of efficiency and economy, that plan would require the skilled management (by which the savings were devised) to forego the returns assignable to itself, and make a gift of those sums either to workmen who received the higher wages (without increased efficiency) or to the shippers in the rate of traffic. On what grounds of justice could this be asked? Obviously, only on the theory that the skill of one agent in production (managerial capacity) should make up for the increased demands of a different agent.

Moreover, railways differ in conditions and ability to haul at a low cost. Those roads which have earned a surplus, turned it into the property, reduced grades, and lowered the cost of carrying a ton a mile, could now stand fairly well—at least for a time—the increased expense of higher wages, and continue present dividends. But it would not be true of all roads. Some are not earning any dividends; some are earning only fixed charges. If wages are increased on one road, they must be on all. A horizontal increase of expenses, therefore, would affect roads unequally, injuring the poorly conditioned roads the most. In that case, higher rates must be allowed to prevent bankruptcy; and higher rates must be allowed to all roads. A long-headed management cannot be punished for its prudence and refused what is allowed to an inferior. Therefore, if no increase of rates is granted, we may look for an increase of defaulting roads among the weaker roads of the country. The best roads will undoubtedly hold their own, possibly with retrenchment and reduction of service to the community.

The stability of our corporation securities (stocks and bonds of water, gas, telephone, ferry and dock, electric light and street railroad companies, banks and trust companies) are affected by much the same psychological conditions as those of railways. The corporation has come to stay, and has a right to live; although that does not mean that unprincipled men should find refuge for dishonorable business methods behind corporation law. But large industrial organizations only reflect the progress of the age; they are too numerous and too important to be made the target of political attacks; and business in general must wait in suspense until a plain and direct way is open for the legitimate operations of large organizations. No one objects to reasonable and non-political supervision by the Government; but all must object to legislation which no one can understand, and which cannot possibly be enforced.

The responsibility of the companies for the vast accumulations of a people's savings cannot be too seriously stated. In the very nature of things these great sums must be invested by those who are most familiar with the important industries of the country, and especially with those of the greater magnitude. There must inevitably be constant business dealings between these companies and those in control of the great banking, industrial and railway corporations. Under our present psychological conditions, it is easy to buy cheap popularity by raising the cry of "Wall Street." It makes no difference whether it is X street or Y street; there must be a market for securities. There are tricks and dishonesty wherever imperfect men gather; but the men in charge of our companies can be, like President Cleveland, above all suspicion, and must get securities from the markets where they are bought and sold. Individual officers and directors may sporadically go wrong; but the whole body must be sound to the core or the very fabric of our business organization must go to pieces. If men did not keep their word business would not go on twenty-four hours. As investors, we are banking on the integrity and good judgment of the men in charge of these companies. They are not likely to fail us. Without doubt life insurance is safer than it ever has been. Now it remains to be seen if the people will, by its treatment of railways and corporations, consciously undermine its own investments.

DR. PORTER ON THE FIGHT AGAINST PREVENTABLE DISEASE.

Dr. Eugene H. Porter, Health Commissioner of the State of New York, read a paper on the fight against preventable disease, bristling with statistics concerning sanitary conditions at the present time. Dwelling at some length on the measures that were being taken by the public authorities to combat the causes and the spread of contagious disease, he touched upon the part which life insurance companies might efficiently take in the campaign, as follows:

Why should you engage in an effort to prolong life? 1. Because there is nothing to prevent you. No reasonable argument may be brought against a sane and well considered effort on your part to prolong life and so legitimately increase your income and so strengthen your position as trustees of the funds of the people. Nor can any law be invoked against such action. Generally

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speaking, in the insurance world a lessened death rate and an increased income go hand in hand.

2. Because you already possess a most efficient and highly trained body of workers. You have now approximately 80,000 medical examiners and 20,000 agents in the field. Through this great corps of active workers you are able to constantly maintain a close and most sensitive relationship with the 20,000,000 of policyholders represented by the various companies. This relationship of the policyholder to his life insurance company is within definable limits a peculiarly intimate one. By reason of this relationship you are able, whenever you see fit to use your power, to exercise a tremendous influence over more than one-half of this nation. What you say to them on health matters, what you advise regarding the prolongation of life, will be attentively received and seriously weighed. I know of no one single agency in all the wide field of sanitary effort so potentially powerful for public health as your own organization.

3. It is not my purpose now to analyze the different factors which are competing in the great struggle for the advance of humanity nor to select any one for special advocacy. But we can live neither in nor by the defeated past, and if we would live in the growing, conquering future, we must furnish our strength to shape its course and our will to discharge its duties. Progressive civilization has issued its new decree. And among the weighty and impressive lessons taught is that corporations must now and without delay assume new duties and responsibilities. Public opinion asks that a corporation cease to be a mere accumulator of wealth. It asks that it shall cease to be a selfish, self centred organization, blind to everything but its own aggrandizement. It asks that it shall awaken to its opportunities and with wider vision enter into new relationships. It asks that a corporation shall develop a human side to its existence. It asks, in short, that corporations assume at least some of the duties and privileges of the individual. This conception of corporate development is growing rapidly, and those corporations that heed it demonstrate their wisdom.

To the insurance companies the appeal of this enlarged field of usefulness must come with peculiar force. To enter upon public health work is to discharge one of those higher duties which the people are now expecting from all our great organizations. To engage in it is not only to do the thing that is next, but it secures for generations to come the good will and sympathetic understanding of the millions of policyholders and their friends.

Several years ago I organized the department of health for the State of New York. Six divisions of the work were made: the division of administration, division of sanitary engineering, division of laboratory work, division of communicable diseases, division of vital statistics, division of publicity and education.

The thing of importance is the fact of systematic organization, followed by immediate and persistent work along the lines indicated. Whatever of successful effort we have reached in New York has been in great part due to this careful system.

After much study of the situation I venture to offer an outline of a possible plan of work for our insurance companies. It is probable that for the present each company should act alone.

1. The immediate establishment in each insurance company of a department of health. This may be small or large, modest or ambitious.

2. A cautious and judicious selection of the lines of activity to be followed.

3. An immediate moving along those lines.

It is not easy to say what the lines of activity shall be, but it ought not to be difficult to make an initial selection. With your kind permission I will suggest the following things, most of which seem to be next to you:

1. The instruction of medical examiners and life insurance agents in sanitation and preventive disease work.

2. The issuance of a carefully arranged series of letters or circulars on health topics to policyholders.

3. The establishment of a health magazine or health bulletin.

4. The arranging for a series of public health lectures in various cities and towns with or without the co-operation of State or local health authorities. Some of these lectures to be published.

5. The use at all times, systematically, of the tremendous educational power of the press.

6. Conjoint work with State and city health departments.

7. Conjoint work with all organizations interested in public health work.

8. The securing of more uniform and better health laws.

9. The establishment of a national department of health.

10. To aid in securing adequate appropriations for health work.

11. The free re-examination of all policyholders. This opens a tremendous field of work.

12. A special investigation of the causes of pneumonia, Bright's disease, diabetes, apoplexy and cancer.

13. Making available, as Dr. Dwight has suggested, that great storehouse of experiences now in your possession. It is a gigantic collection of facts and should be of incalculable value.

14. Educate—educate—and again educate.

DR. DOTY ON MODERN SANITATION.

In an interesting paper on modern sanitation replete with invaluable facts Dr. Alvah H. Doty, health officer of New York, said:

Prevention is the keynote of modern sanitation, and around and about it has been constructed the most formidable barriers against infectious disease. When proper sanitary methods are enforced there is no outbreak which cannot be successfully controlled. Alarmists and theorists do not willingly accept this, and often predict that the appearance of an infectious disease in a community where proper sanitary regulations are in operation will be followed by practically the same serious results as have occurred in the past. There is absolutely no substance or justification for such belief, and in this paper I have endeavored to prove it to you.

With these means at our command, a general infection through a water supply, for instance, either on land or at sea, often justifies the criticism of those in charge of the public health wherever this may take place. The prevention of such an occurrence, the management of outbreaks of infectious disease, disinfection, vaccination, and other sanitary precautions must, in order to be successful, be placed in the hands of competent medical officers, who are not only theoretically but practically familiar with the subject. Unfortunately the public do not demand this, and in some communities the protection of the public health is either in the hands of laymen or medical officers who know but little of the practical side of the subject. Local health officers should in some manner be under the jurisdiction of a central body, preferably the State board of health, who shall pass upon their qualifications and exclude those who are not properly fitted for this work, for sooner or later these officers must face an infected water or milk supply, or an outbreak of infectious disease, or some other emergency of this character, and if they are not qualified to deal with it, not only will the community they preside over suffer, but other sections also. The unnecessary loss of life, the injury to commerce, etc., which almost invariably follow such a condition, fully justify the expenditure of generous appropriations to prevent it.

DR. WILBUR ON VITAL STATISTICS IN THE CENSUS.

A paper was read by Dr. Cressy L. Wilbur, chief statistician for vital statistics of the United States Census Bureau, on the work of the census in vital statistics. His reference to the part that life insurance companies may take in promoting trustworthy data was as follows:

It may be within the power of the Association of Life Insurance Presidents to hasten the time when we shall have thoroughly accurate and dependable vital statistics for the entire United States. With the vast resources committed to your care, and realizing the fact that life insurance, like sanitation, is crippled by the lack of vital statistics for a large part of this country, I believe that your aid will be most effective. Today many parts of the South are misrepresented and discriminated against, as it believes, because no accurate vital statistics are available to show the actual conditions with respect to healthfulness. Companies fear to enter certain States, and higher rates are charged persons insuring. Knowledge is sought in many unusual ways to guide the action of life insurance interests, but all such methods are of little worth compared to the results of thorough registration of births and deaths. It is not for a selfish purpose that such efforts are made. General Counsel Cox informs me that of the twenty-five thousand millions ($25,175,797,538) of dollars of life insurance now in force in the United States, nearly nine thousand millions ($8,920,716,227) are in fraternal organizations, while of the fifteen thousand millions ($15,480,721,211) in legal reserve companies, a statement for the whole of which cannot be made, nearly eleven thousand millions ($10,926,032,551), or 82 per cent. of the thirteen thousand millions ($13,396,373,821) for which the data were available, was of the participating class. So the person insured, or the person who ought to be insured, has by far the greatest interest in knowing the exact conditions of mortality upon which his rates are, or should be, based. The vast yearly expenditure for life insurance, with its tremendous increase during the last thirty years, and the large expenditure for sanitation (although too little by far if the needs of sanitation were better known through accurate registration) alike demand accurate data on vital statistics, and the construction of suitable rates and life tables by which, alone, the actual condition of the health of the people of the United States can be known.

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The Bureau of the Census is making every effort in its power to supply this demand, by aiding the extension of the registration area and standardizing the results available. It publishes annually a report and a bulletin on mortality statistics, which is of direct use to sanitary officials, and contemplates the publication of special volumes as soon as the population data of the thirteenth census shall be in readiness upon the aggregate mortality of the past decade, with "corrected" death rates, a special report on occupational mortality, and a volume of life tables, the latter with the aid and advice of the Actuarial Society of America, which has appointed a special committee for this purpose. But more help is necessary, and all persons and organizations concerned with the welfare of the United States should interest themselves in the practical solution of the problem of how we may attain as a nation better vital statistics. In particular I hope that this association will exert its influence, and that every life insurance company, the president, the general officers and district representatives, the agents, and every policyholder, will feel that it is vital to him to have full information upon the vital statistics of the United States, his State and his city, and will urge the adoption and thorough enforcement of laws for this purpose.

REPORT OF THE COMMITTEE ON LIFE EXTENSION.

Mr. George E. Ide, of the Home Life, chairman, presented the following report of the life extension committee:

It is always a pleasure to enter upon new and untried lines of activity and in that respect the work of your Life Extension Committee has been most agreeable. It is, however, necessary for pioneers to move with extreme caution.

The problem before us has been to decide in what direction activity can be best exercised and to what extent managers of Life companies would be justified in expending the policyholders' money in the work of improving general health conditions and in the education of the general public on the subject of hygiene and sanitation.

By some the subject of life extension has been regarded as too visionary to receive serious attention by this association and the benefits of any movement in this direction as too uncertain to warrant either the companies or the association in spending any money in its development. The contrary is true. The lengthening of human life is a plain business proposition of the greatest economic value to the country at large and of especial value to life insurance interests. As our general counsel has aptly said in his paper read before the Senate Committee on Public Health and National Quarantine at Washington in advocacy of the bill to establish a Federal Department of Health:

"The conservation of material resources is of great importance, but the conservation of human life is of greater importance. It will save as many dollars, and by saving also sorrow and suffering will contribute more to the happiness and contentment of the American people than water powers and coal fields. To conserve the health of America is to conserve its greatest and most important natural resource."

In our staff of agents scattered all over the United States; in our army of medical examiners, numbering at least 80,000, and distributed throughout the cities and villages of our country; in the vast number of policyholders amounting to about one-fifth of our total population, we have the material for the dissemination of truth on this all important subject and for the institution of an aggressive and successful campaign.

Up to this time your committee has been unable to formulate any definite plan by which our association could directly approach the policyholders of the country upon the subject of life extension, and it has been compelled to reject, as impracticable or too expensive, certain suggestions which have been made. Its work, however, has not been without result. The matter has been brought prominently before the executives of many companies and public attention has been turned toward this most important work.

Professor Fisher, in a recent paper before the International Association of Accident Underwriters, mentioned what is already being done by several companies. He called attention to the new sanitarium of the Metropolitan Life and to the fact that this company had engaged visiting nurses in certain cities to care for its invalid policyholders; to its establishment of a health magazine to distribute health literature among its policyholders, and to its indorsement in various ways of the movement for a national department of health.

He spoke of the fact that the Provident Savings Life Assurance Society had established a health bureau for the issuance of bulletins of health information among its policyholders, and for the granting of free medical examinations to those of its policyholders who desire to avail themselves of this privilege.

He said a certain group of companies in our association had gone beyond the body of their own policyholders; that they were giving free advice to impaired applicants for insurance and suggestions for their benefit; that several other companies were publishing suggestions as to health reform in their magazines to agents, and that certain fraternal societies had also entered the campaign. It seems to us, however, that the most important and far reaching work of all is that described by our counsel, who says that "practically all of the companies represented in our association are giving their moral support to the movement for the prolongation of human life."

I have heard it stated that this movement has up to the present time only appealed to the executives of a few life insurance companies. Out of a total of 28,000,000 policies in force in American companies, our members carry seventy-eight per cent. (or 22,000,000). Of this 22,000,000 ninety-three per cent. (or 20,500,000) are in companies which are now engaged in individual work along health improvement lines. The activity of these companies is in various lines, as already described.

Therefore, although the association has not as a body undertaken any definite campaign, we can rightly assert that the subject of life extension is now receiving more attention than ever in the past, and that it is a live and active issue in the minds of most life insurance managers.

It appears to your committee that in addition to what has already been done there is a certain field of activity which the companies can enter with little or no expense and with the prospect of accomplishing great general good. Throughout our country in all branches of our Government we have, during the last fifty years, made great advances in the matter of perfecting and extending the work of our departments of health. Every well regulated community now has its department of health and these are conducted with greater or less efficiency and under a system which is more or less effective. In many of the newer States and more sparsely settled communities little attention is paid to this important subject. In co-operation with the various boards of health and other kindred departments the insurance companies, through their medical examiners and agents, can accomplish an immense amount of good.

Your committee would, therefore, recommend that a bureau of health and sanitation be instituted within our association, this bureau to undertake at once the collection of statistical information regarding registration laws, health departments and other agencies showing the extent to which the people in their organized capacity have undertaken to improve health conditions. The companies would doubtless co-operate in the work of such a bureau.

It might be well also to instruct the officers of the association to give their active support whenever possible to the enactment and enforcement of laws having for their purpose the prevention of disease, whether prohibitive in character or in the nature of extending the field and efficiency of health departments.

Our counsel assures me that this work can be done with no expense other than the employment of a little clerical help. When this preliminary step has been taken the association may find it proper in the future to employ one or more experts in sanitation to investigate on behalf of life companies the conditions existing in various localities and to suggest, when requested, methods of improving these conditions. In other words, our first step should be to inform ourselves accurately as to existing conditions, and to lend our hearty support to the general movement in so far as it can be done without material increase in the expense of maintaining the association, and later on to follow up this preliminary work by an initiative of our own in the line suggested.

Your committee would strongly recommend some action at this meeting upon these general lines.

Miscellany.

The Fire Insurance Investigation.

The New York Legislative Investigating Committee gave parts of three days this week to the fire insurance section of their inquiry, while it continued to pursue the legislative grafters when it could procure witnesses.

Mr. Willis O. Robb, manager of the Fire Insurance Exchange, was on the stand again, and was questioned about the annual premium receipts by the fire insurance companies from metropolitan business, which, he said, was approximately $25,000,000. The losses paid on the same business was about $12,000,000. The counsel for the committee having asked whether this did not indicate that the premium rate is too high, Mr. Robb replied that "the loss ratio to premiums collected applies only to this city, and

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is greatly below the average ratio throughout the country. If that ratio held all over the country rates would be reduced all over the country. Furthermore, that ratio did not hold even in this city until within the last three years, and insurance men cannot be sure that it will hold for even another year."

Mr. Robb, in reply to questions, thought that a great conflagration in the city of New York would cause serious disaster to the companies, but he believed some of them would be able to stagger through. Members of the Exchange wrote 75 per cent. of the fire insurance of this city. He would not admit that the Exchange absolutely controlled the business. He thought State rate making would be impracticable.

Mr. Henry E. Hess, former manager of the Exchange, testified that it was organized because the insurance business in the city at the time was in a state of general demoralization on account of rate cutting competition between the various companies.

On Wednesday Mr. M. T. Westover, secretary of the General Electric Company, told the committee how cheap his company had been able to procure insurance from the mill mutuals. Where formerly it paid a dollar to the stock companies now it paid about 12 cents to the mill mutuals.

President Toppan, of the Arkwright Mutual Fire of Newburyport, Mass., and John B. Freeman, president of mill mutuals at Providence, were also on the stand, and explained how superior their system of insurance is. They would gladly enter New York for business if the conditions were made favorable for them. They were willing to pay the regular premium tax of 2 per cent. upon the actual cost of the insurance, and not upon the annual deposit made by the members, which they said was usually from five to ten times the amount actually required.

On Thursday John R. Waters, head of the Reciprocity Underwriters and other interinsurers, explained the advantages and cheapness of his system over that of the stock companies. Mr. Waters said that the latter should be forbidden paying brokers for business in this city. "If the insured wants a broker to place his business let him pay him a salary," he declared. Rebating could be stopped by the State if it were made a criminal offense.

The Detroit Conference.

The semi-annual meeting of the Detroit Conference of casualty companies was held at the Hotel Cadillac, Detroit, on Thursday and Friday of this week. President Charles H. Boyer, who is the United States manager of the industrial department of the General Accident of Philadelphia, presided.

The roll call showed a good attendance of delegates. Reports were made by the officers and standing committees, after which the conference proceeded to listen to addresses and papers by several of the members. Among these were a paper on the bonding of agents by Frank S. Davy, agency manager of the Continental Casualty, and an address by C. H. Brackett, president of the Hoosier Casualty of Indianapolis, on "Conservation."

THE GOLDEN RULE.

President R. R. Koch, of the American Assurance Company, of Philadelphia. read the following paper, entitled "The Golden Rule":

A few days ago I was asked to prepare a paper for presentation at this convention. The time was too short to admit the preparation of a paper on any one of the technical subjects connected with our business.

The subject chosen under these circumstances is one that bears directly upon the business of the Detroit Conference—in fact, it is the principle upon which the Conference must necesarily depend for its continued success.

The Detroit Conference was organized, according to its constitution and bylaws, "to promote good will and harmony between companies; to devise measures for the protection of their common interests and to cultivate a spirit of progress in the study of health and accident underwriting," and I feel sure you will all agree that this restatement of the purposes of this Conference carries with it the conviction that the Golden Rule must be observed by each member.

The Detroit Conference is a "gentleman's agreement." There is no compelling force back of it as yet or within it; but unless we apply the Golden Rule, have absolute confidence in each other and work together harmoniously for the common good of all, State laws may be passed which will compel us to do things upon which we should agree among ourselves. Any agreement entered into between members of this Conference regarding the adoption of a uniform policy, for example, will not bring about the desired results unless we keep faith with one another, and if we do not, what then? A mere list of the evils which follow in the train of broken faith bears on its face enough evidence to convict it as an unsound business proposition—even a blind man could see that it would not pay.

Suppose that a number of the companies do not agree to join with the majority in adopting the uniform policy, the companies that do adopt it should be careful to exhibit the spirit of the Golden Rule between each other, as well as the dissenting companies, because they may be prevented from joining the majority by the limitations of their charter, bylaws, the laws of their respective States, or have some other valid reasons. The dissenting companies should, however, not take advantage of existing conditions, but should endeavor to make whatever changes they can consistently to come as close as possible to the proposition adopted by the majority. My reason for making this statement is that as a general proposition the majority is right; the minority should, for the good of all concerned, set aside their personal views and join the majority. This is a practical application of the Golden Rule.

If this "gentleman's agreement" *is* kept faithfully, then we have arrived at that happy time when we can plant our agencies and equip our branch offices with the assurance that our agents and the business they build will not be disturbed.

We are getting together on several questions of vital interest to the business we are conducting, and in doing so we must necessarily "show our hand" to each other. If we all feel sure that each Conference company will apply the Golden Rule to all questions affecting our common good, such as the uniform policy, standard classification of risks, the agency bureau and legislation, the difficulties which now befog our way will disappear, and we shall be able to see our way clearly.

If these things be true, there cannot be any doubt as to the advisability of adopting the Golden Rule as our unfailing principle of business, if we have not already done so.

Someone has said that we do not need to be taught new truths nearly as much as we need to be reminded of the truths we already know.

When the Great Teacher gave to the world the Golden Rule He was careful to state that this was not a new principle, but rather a summing up, in matchless form, of the wisdom of the ages. "All things, therefore, whatsoever ye would that men should do unto you, even so do ye also unto them; for this is the law and the prophets."—Matt. vii:12.

In closing let me call your attention to the fact that the principles of the Golden Rule should not only be applied to matters pertaining to the Detroit Conference, but also to our daily problems, for our own individual good, for the good of all the people whose interests we are supposed to safeguard, and for the business as a whole.

Mr. J. V. Barry, manager of the publicity bureau of the casualty companies, spoke briefly on the work of the bureau.

The following topics were assigned for general discussion: "What Is the Best Method of Overcoming the Difficulty of Securing New Agents?" "What Is the Best Method of Holding Agents Under Existing Conditions." "What Precautions Should Be Taken in Our Underwriting?" "How Best Hold Business After It Is Written?" "Can Good Results Be Obtained by a Salaried Field Man Going into a General Agency to Secure Sub-Agents and New Business?" "How Should Agents Be Compensated, and to What Limit?" "What Is the Best Method of Handling Premium Collections?" "Do Industrial Life Insrance Agents Make Good Health and Accident Agents?" "What Are the Worst Enemies of the Health and Accident Business?" "To What Extent Should Final Proof of Claim Be Required?"

The Conference was in session at the time of our going to press.

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How to Make Money Writing Life Insurance.

(Standard Bulletin of Standard Mutual Life of Pittsburgh.)

First—Don't spend all day planning to work tomorrow.

Don't telephone. That only helps a man to turn you down.

Don't write letters. There is nothing like a short, forcible personal interview.

Don't seek out friends and acquaintances. Strangers will let you talk only as long as you interest them.

Don't wait to see a man who is busy. There are other prospects just as good next door.

Don't visit. Talk business; there are only about six working hours a day.

Don't tell all you know about life insurance. Say only what is necessary to get the application.

Don't give a man time to say "Not interested." Interest him before he knows it.

Don't lose your temper or you'll lose money.

Don't get rattled if a man asks you the rate for $50,000. Treat him as if it were a $5,000.

Don't expect every man to turn down your proposition—unless you want him to.

Don't quit work in the afternoon till you've seen one or two more.

Don't fail to leave a good impression on every man you talk with, no matter how unfavorable. Bread cast upon the waters, you know.

Diligence is the mother of all luck. Some insurance men never have luck. They are letter perfect in the terminology, but they never get much business. They *think* they are working. They are competent to be second vice president of any company, and would jump at a job paying $25 per, promptly. Fact is, they are lazy, but don't know it. They are always busy getting ready for success, but never succeed. They are tireless in planning what to do; nothing ever done. Diligence is minus.

Many an agent will work at his desk till 11:30 carefully preparing a list. First, a man in Oakland whom he heard was engaged; second, a man over in Allegheny whose wife's brother used to know his father's friend; third, a young fellow out in Wilkinsburg who has had his salary raised, etc. He starts out. The first is away; the second is over age and over weight; the third is a poor risk or doesn't believe in insurance. The day is wasted.

That is no way to do business. Why should the three cases just mentioned be any better to see than three men next door? Is there any advantage in talking to a man you've been introduced to over ten men whom you have never heard of before you saw their names on the door? It's no way to do business.

Any bright newsboy will tell you how to sell papers. "Offer 'em to every guy what passes. If de guys don't pass, 'chase 'round to where dey is." That's all there is to selling life insurance.

Call on hundreds of new cases every week and you cannot help getting results. The law of percentages doesn't work in mortality tables only—it works in soliciting.

Now to apply—slam down the top of your desk (don't think up a dozen things to do first; those things can wait till after business hours), start on any street—one is as good as another. Go to men who are making money, say, "My name is Openglopen (or Smith). I represent the best mutual life insurance company. I can save you money on your life insurance." Be in earnest. Be brief. Speak in a low voice. Have the important manner of one who has come to let him in on a "big deal" because you like him.

Insurance Legislation.

Vermont.

MONTPELIER, December 7.—The House reconsidered its action in killing the bill taxing premiums paid to non-licensed insurance companies, and made it a special order for Monday, but on that day ordered the bill to be continued for further consideration.

The Committee on Corporations of the House has introduced a bill to incorporate the Fireside insurance company of St. Johnsbury with a capital of $100,000.

Federal Life Insurance Co.

ISAAC MILLER HAMILTON, President

CHICAGO

Capital, Surplus and Reserves - $2,500,000
Insurance - - - - - - - - 17,000,000

Did you see the results on our matured ten year Endowments?

POLICIES WHICH SELL. PROFITABLE CONTRACTS FOR AGENTS. DESIRABLE AVAILABLE TERRITORY. WILL ENTER NEW TERRITORY.

Write us your ambitions—we may help you realize them.

We need a good man in Ohio, another in Michigan

HOME OFFICE, MILWAUKEE, WIS.

IT PAYS TO ADVERTISE!

It Pays to Answer Advertisements!

Provided you read them for information and not pastime. It will pay you to investigate this one.

CAPITAL AND SURPLUS - - - - - $875,000

RUPERT F. FRY, President

EXCELLENT OPPORTUNITY

FOR

DIRECT AGENCY CONTRACT.

INSURANCE CO.

of New York desires to make direct contracts, with good producers, for unoccupied portions of the following States: New York, New Jersey, Pennsylvania, Kansas, Idaho and Washington. The usual commission contracts with allowance for office expenses will be made. The policy forms of the Company are up-to-date, the premium rates are low and the annual dividends attractive.

Home Office: 66 BROADWAY, NEW YORK.

Royal Exchange Assurance

OF LONDON, ENG.

Incorporated A. D. 1720

UNITED STATES BRANCH

92 William Street, New York

UBERTO C. CROSBY, General Manager — RICHARD D. HARVEY, Assistant Gen'l Manager

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OUR Course of Insurance Education Department for Furnishing Prospects, New "Model Policy," Will Plough the Field and Assure the Harvest for Good Agents.

Phœnix Mutual Life Ins. Co.

Write Home Office. HARTFORD, CONN.

The Preferred Assurance of New York

SUPERIOR POLICIES

KIMBALL C. ATWOOD, President,
290-292 Broadway, New York.

Head Office for the United States:

57 and 59

William Street,

NEW YORK.

LONDON & LANCASHIRE FIRE INSURANCE COMPANY

A. G. McIlwaine, Jr., Manager.

The Employers' Liability Assurance Corporation

(LIMITED),

OF LONDON, ENGLAND.

Total Available Resources, over $8,000,000

$3,449,550.58 deposited in the United States for the benefit of United States Policyholders.

SAMUEL APPLETON, United States Manager,
Employers' Liability Building, 33 Broad Street, Boston, Mass
EDMUND DWIGHT,
Resident Manager for New York State,
76 William Street, New York

HANOVER

Fire Insurance Company

OF NEW YORK.

Agencies in all the Principal Places in the United States.

THE John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS

Good Contracts for Good Men.

ROLAND O. LAMB, President.
Robert K. Eaton, Superintendent of Agencies.
Walton L. Crocker, Secretary.

WILLIAM N. COMPTON, General Agent, St. Paul Building, New York

THE HOME LIFE INSURANCE COMPANY OF AMERICA. Inc. 1899

JOHN LANGHAM, Jr., President JOSEPH L. BURKIN, Secretary
EDWARD P. MADDEN, Treasurer

General Agents and District Managers

who can produce Ordinary Business can secure "GROUND-FLOOR" contracts with GUARANTEED RENEWALS and an assignment of territory limited only by capacity to produce AGENCY ORGANIZATION and Business. Send for Sample Policy. *It is one you can sell.*

New Business, $1,500,000, January-June, 1910.

Address GEO. M. NETTLESHIP, General Manager
Executive Offices, 416-18-20 Walnut St., Philadelphia, Pa.

FIDELITY-PHENIX

FIRE INSURANCE COMPANY

OF NEW YORK

The FIDELITY-PHENIX is a powerful company.

Its power is used in the interests of the agents — not against them.

Help the company that helps you

HOME OFFICE: 46 Cedar St., New York
WESTERN OFFICE: 205 La Salle St., Chicago

HENRY EVANS, President

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NATIONAL POLICIES SATISFY THE PUBLIC

NATIONAL CONTRACTS SATISFY THE AGENT

Territory open. Write for terms.

THE CONNECTICUT MUTUAL

That means the best life insurance to have and the best to sell. If you can sell life insurance, you can sell more of it for the CONNECTICUT MUTUAL.

Men of character and ability are invited to apply.

CONNECTICUT MUTUAL LIFE INS. CO., Hartford, Conn.

Please mention this paper

1860 50TH YEAR 1910

HOME LIFE INSURANCE COMPANY

OF NEW YORK.

GEORGE E. IDE, President

ASSETS, $23,626,018.63 LIABILITIES, $21,858,691.52 (Including Deferred Dividend Fund)

Dividend-Endowment Fund (Deferred Dividends)	$2,119,044.00
Net Surplus	1,767,327.11
Insurance in Force	92,532,583.00

The Record for 1909 shows the following GAINS:

Insurance in Force	$4,164,239.00
Assets	1,917,117.00
Deferred Dividend Reserve	148,581.00
Contingency Reserve (Surplus)	655,149.17

OLDEST IN AMERICA STRONGEST IN THE WORLD

The Mutual Life

Insurance Company of New York

Mutual Life Agents Make Most Money Because Mutual Life Policies Sell Most Freely

For terms to producing agents address:

GEORGE T. DEXTER, 2d Vice-President,

34 Nassau Street, New York, N. Y.

[FIRE]

German American Insurance Company New York

STATEMENT JANUARY 1, 1910

CAPITAL

$1,500,000

RESERVE FOR ALL OTHER LIABILITIES

8,222,018

NET SURPLUS

6,440,211

ASSETS

16,162,229

GERMANIA

FIRE INSURANCE COMPANY

Organized 1859 NEW YORK

Cash Capital	$1,000,000.00
Assets	$6,562,229.14
Net Surplus	$2,008,419.02
Surplus for Policy Holders	$3,008,419.02

HEAD OFFICE: Cor. William and Cedar Streets

The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1910	$3,470,509.30
Total Liabilities, except Capital	1,920,837.24
Capital	500,000.00
Surplus to Policyholders	1,549,672.06

F. F. BUELL, Special Agent, Troy, N. Y.

Provident Life and Trust Co.

OF PHILADELPHIA.

The Provident has been particularly distinguished for the development of a highly trained force of agents. The systematic instruction which its agents receive has resulted in their being recognized as representatives of exceptional knowledge of the business and of marked efficiency.

Insurance Company of North America

FOUNDED 1792

232 Walnut Street, Philadelphia

Assets, January 1, 1909 ..... $12,014,062.63

LIABILITIES—Reserved for Reinsurance and all other claims	$7,263,156.97	
Capital Stock	3,000,000.00	
Surplus over all Liabilities	1,750,905.66	$12,014,062.63

Agents in all the principal towns and cities.

EUGENE L. ELLISON, President.

T. HOUARD WRIGHT, Secretary. HENRY W. FARNUM, Assistant Secretary.

BENJAMIN RUSH, Second Vice President. JOHN O. PLATT, Assistant Secretary

Surplus to policyholders, $4,750,905.66.

Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

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HOME OFFICE OF THE

Metropolitan Life Insurance Co.

INCORPORATED BY THE STATE OF NEW YORK

The Company OF the People, BY the People, FOR the People.

PROOF OF PUBLIC CONFIDENCE

This company has more premium paying business in force in the United States than any other Company, and for each of the last 16 years has had more New Insurances accepted and issued in America than any other Company.

The number of Policies in force is greater than that of any other Company in America, greater than all the Regular Life Insurance Companies put together (less one), and can only be appreciated by comparison. It is a greater number than the Combined Population of Greater New York, Chicago, Philadelphia, Boston, St. Louis, Cleveland, Cincinnati, San Francisco, Pittsburg, Baltimore, New Orleans and Buffalo.

ASSETS.

Municipal and R. R. Bonds and Stocks	$123,346,161.39
Bonds and Mortgages	105,183,172.02
Real Estate	23,311,215.72
Demand Loans on Collateral	172,930.00
Cash	5,420,643.42
Loans to Policyholders	11,193,245.61
Premiums, deferred and in course of collection (net)	5,190,288.45
Accrued Interest, Rents, etc.	3,290,211.85
Total	$277,107,868.46

LIABILITIES.

Dividends payable in 1910	$6,938,793.66
Reinsurance Fund and Special Reserves	237,213,384.00
All other Liabilities	3,053,470.82
Capital and Surplus	29,902,219.98
Total	$277,107,868.46

Largest Office Building in the World—Madison Avenue, Fourth Avenue, 23d Street and 24th Street, New York City.

SIGNIFICANT FACTS

This Company's Policy-claims paid in 1909 averaged in number one for every 63 seconds of each business day of 8 hours each and in amount $140.81 a minute the year through.

THE DAILY AVERAGE OF THE COMPANY'S BUSINESS DURING 1909.

456 per day in number of Claims Paid.

6,535 per day in number of Policies placed and paid for.

$1,468,755 per day in New Insurance placed and paid for.

$183,406.75 per day in Payments to Policyholders and addition to Reserve.

$132,172.72 per day in Increase of Assets.

OFFICERS

JOHN R. HEGEMAN	President
HALEY FISKE	Vice President
GEORGE H. GASTON	2d Vice President
GEORGE B. WOODWARD	3d Vice President
FRANK O. AYRES	4th Vice President
F. F. TAYLOR	5th Vice President
JAMES M. CRAIG	Actuary
STEWART L. WOODFORD	Counsel
WM. J. TULLY	General Solicitor
FREDERICK H. ECKER	Treasurer
WALTER STABLER	Comptroller
JAMES S. ROBERTS	Secretary
JOHN R. HEGEMAN, Jr.	Asst. Secretary
J. J. THOMPSON	Assistant Secretary
T. R. RICHARDSON	Assistant Secretary
GEORGE B. SCOTT	Assistant Secretary
FREDERICK A. BETTS	Assistant Secretary
GEORGE C. PENHALLOW	Asst. Secretary
THOMAS H. WILLARD, M. D.	Med. Direct.
AUGUSTUS S. KNIGHT, M. D.	Med. Direct.
W. S. MANNERS, M. D.	Asst. Med. Direct.
E. M. HOLDEN, M. D.	Asst. Med. Direct.
D. M. GEDGE, M. D.	Asst. Med. Direct.

I. J. CAHEN.....Manager Ordinary Dept.
LEE K. FRANKEL, Ph. D..Mgr. Indus'l Dept.
J. BERGEN OGDEN, M. D..Asst. Med. Direct.
JACOB CHADEAYNE..Mgr. Interm'd'e Branch

Paid to Policyholders since Organization, plus the Amount now invested for their Security, $537,223,523.83.
Number of Policies in Force, 10,621,679. Amount of Outstanding Insurance, $2,041,951,700.00.

Prosperously Busy!

Our agencies are steadily increasing this year's lead over the figures of our high record in 1909.

Our agents are prosperously busy With Business Life Insurance and our unequaled Continuous Monthly Income policy they are reaching and satisfying the public and liberally rewarding themselves.

Inquiries invited from *delivering* producers.

GEORGE D. LANG, Superintendent of Agencies

MASSACHUSETTS MUTUAL LIFE INSURANCE CO.

SPRINGFIELD, MASSACHUSETTS

INCORPORATED 1851

National Life Insurance Co.

MONTPELIER, VERMONT.

Established in 1850. Operating in 36 States.

JOSEPH A. DEBOER, President.

FRED A. HOWLAND, Vice-Prest. OSMAN D. CLARK, Secretary.
JAMES B. ESTEE, 2d Vice-Prest. H. M. CUTLER, Treasurer.
A. B. BISBEE, Med. Director. C. E. MOULTON, Actuary.

This Company held January 1, 1910, and gained during the past decade:

ASSETS,	$47,490,998.98	- Gain, 167%
LIABILITIES,	41,661,130.12	- Gain, 162%
SURPLUS,	5,829,868.86	- Gain, 211%
INSURANCE,	161,423,115.00	- Gain, 79%

ABSOLUTE SECURITY AND ECONOMY OF MANAGEMENT

J. G. WALKER, President.
T. WM. PEMBERTON, 1st Vice-Pres. W. L. T. ROGERSON, 2nd Vice-Pres.
E. D. HARRIS, Secretary.

Organized 1871.

Life Insurance Company of Virginia

HOME OFFICE, RICHMOND, VIRGINIA

The OLDEST Southern Life Insurance Company.
The LARGEST AND STRONGEST Southern Life Insurance Co.
The PIONEER Southern Industrial Life Insurance Company.

Its policies are clear and definite in their provisions, and their values are absolutely guaranteed.

Assets, December 31, 1909	$5,372,691.99
Liabilities, December 31, 1909	4,312,405.32
Insurance in force December 31, 1909	68,337,613.00
Total payments to policyholders since organization	9,820,412.49

The Prudential Helps Its Agents Win Success

in a variety of ways, and when vacancies occur it makes promotions from the men in its service.

Write us about an agency.

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA.

Incorporated as a Stock Company by the State of New Jersey.

JOHN F. DRYDEN, President Home Office, Newark, N. J.

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PHOENIX

ASSURANCE COMPANY, LIMITED, OF LONDON

(ESTABLISHED 1782)

LOSSES PAID, OVER - - - $200,000,000

HEAD OFFICE FOR THE UNITED STATES

47 CEDAR STREET, NEW YORK CITY

A. D. IRVING, JR., SECRETARY — LOUIS P. BAYARD, PERCIVAL BERESFORD — JOINT MANAGERS

JUST WRITE

Today If Possible
To See What

HARTFORD LIFE

Will Do For You

ALL FORMS OF POLICIES

Hartford, Conn.

1825. THE 1910.

Pennsylvania Fire Insurance Company

OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,349,097.67
Surplus	2,233,426.43
Total January 1, 1910	$7,332,524.10

R. DALE BENSON, Pres. — W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. — HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

INCORPORATED 1851.

Berkshire Life Insurance Company

OF PITTSFIELD, MASS.

All Policies issued by the Company are subject to the Massachusetts Non Forfeiture Law.

JAMES W. HULL, President.
W. D. WYMAN, Vice-Pres. and Treasurer. — J. M. LEE, Actuary.
THEO. L. ALLEN, Sec. — ROBT. H. DAVENPORT, Asst. Sec
Agencies in all the principal cities of the United States.

BRITISH AMERICA ASSURANCE CO.,

INCORPORATED 1833.

Head Office: TORONTO, CANADA.

UNITED STATES BRANCH.

JANUARY 1, 1910

Assets	$1,556,740.94
Liabilities	902,438.61
Net Surplus	$654,302.33

HON. GEO. A. COX, President. — W. R. BROCK and JOHN HOSKIN, K.C., LL.D. — Vice Presidents.
W. B. MEIKLE, General Manager.

Equitable Accident Company

161 DEVONSHIRE STREET, BOSTON, MASS.

"THE COMPANY THAT WORKS WITH YOU"

CAPITAL, - - - - - - - - - - $100,000.00
SURPLUS TO POLICYHOLDERS, - 182,372.07

Accident and Health Insurance
Commercial and Industrial Departments
Attractive Policy Forms—Liberal Commissions

WM. H. JONES, General Manager

QUEEN

Ins. Co. of America.

NEW YORK.

To Agents and Brokers!

Are you familiar enough with the new Liability Laws to advise and protect your clients' interests? We will gladly send any information on request.

The Philadelphia Casualty Company

WALTER LE MAR TALBOT, President

Personal Accident, Health, Liability, Automobile, Plate Glass and Credit Insurance.

The Columbian National Life Insurance Co. of Boston, Mass.

LIFE, ACCIDENT AND HEALTH INSURANCE

The Only Massachusetts Non-participating Company.

The New Columbian Policies are Unexcelled in Clearness and Liberality. Good Contracts and Territory for Good Producers.

ARTHUR E. CHILDS, President

COMMERCIAL UNION ASSURANCE CO.

LIMITED,

OF LONDON.

OFFICE:

Cor. Pine & William Sts., New York

Liability — Accident
Boiler — Disability
Plate Glass — Fly Wheel
Automobile Liability and Defence
Employers' Compensation
Insurance

Casualty Company of America

HOME OFFICE KUHN-LOEB BUILDING 52-54 WILLIAM STREET NEW YORK

THE EMPIRE STATE SURETY COMPANY

CAPITAL $500,000

THE

EMPIRE

STANDS FOR

Aggressiveness

Prompt Payment of Losses

and

Clean Methods

AGENTS WANTED who are unattached and CAN PRODUCE BUSINESS

Address AGENCY DEPARTMENT

THE EMPIRE STATE SURETY CO.

84 William St., NEW YORK.

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20IST YEAR

SUN INSURANCE OFFICE OF LONDON

FOUNDED 1710

U. S. Branch: 54 Pine Street, New York

Western Department
171 La Salle St.
Chicago

Pacific Department
Sansome & Sacramento Sts.
San Francisco, Cal.

AGENTS WANTED AT UNREPRESENTED POINTS

1894 1910

The State Life Insurance Company

Indianapolis

UNEQUALED IN SOLID ACHIEVEMENT

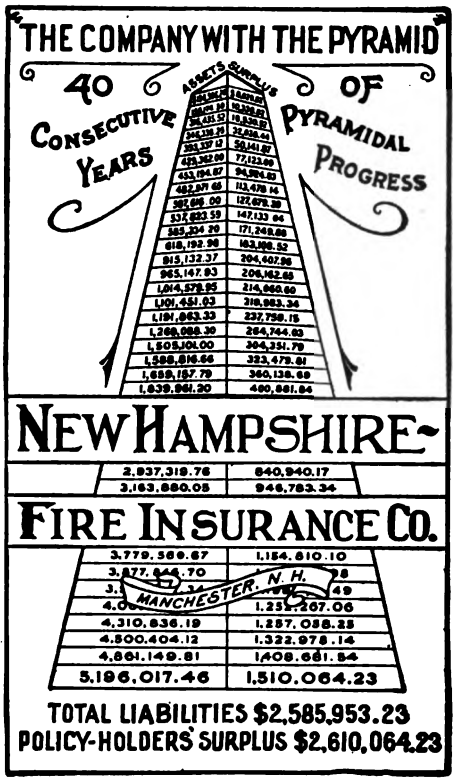
Assets Dec. 31, 1909, $8,580,830.58. Surplus 1909, $1,174,606.34

GROWTH UNPARALLELED

	Gain in Admitted Assets	Gain in Surplus
1907	$1,001,409.00	$27,775.00
1908	1,023,700.00	153,161.00
1909	1,201,977.14	314,044.74

Eight Million Dollars in Securities Deposited With the State of Indiana.
This is $848,861 more than is required by law.

MOST ATTRACTIVE AGENCY CONTRACTS
Our Own Idea.
Every Contract Direct With the Company.
Scores of Good Men Have Joined the State Life Field Force since January 1, 1910.
On all Agency matters address: CHAS. F. COFFIN, 2d Vice-Pres., 1231 State Life Building



The Continental (Fire) Insurance Company

OF NEW YORK

This Company stands for conservation of the American agency system.
It opposes introduction of European methods hurtful to that system.
It is in favor of profit sharing commissions.
In brief, it is aligned with the agent.

HOME OFFICE:
46 Cedar Street
NEW YORK

WESTERN OFFICE:
280 La Salle Street
CHICAGO

HENRY EVANS, President

Incorporated 1855

THE

JEFFERSON FIRE INSURANCE COMPANY OF PHILADELPHIA

In Business Fifty-four Years. Surplus to Policy-Holders, Over $450,000.

AGENCY DEPARTMENT, 425 WALNUT STREET, PHILADELPHIA.

AGENTS WANTED AT ALL DESIRABLE POINTS.

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CAMBRIDGE, MASS.

The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

VOL. LXXXIII. NEW YORK, SATURDAY, DECEMBER 17, 1910. No. 25.

Published every Saturday by the Underwriter Printing and Publishing Company.

Subscription price: Five Dollars per annum in advance; single copies, 15 cents.

All communications should be addressed to THE WEEKLY UNDERWRITER, 58 William St., New York.

Checks and money orders should be made payable to the order of THE WEEKLY UNDERWRITER.

Entered at the New York, N. Y., Post Office as second class matter.

CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

WE have reason to believe that the committee of the New York Legislature investigating fire insurance practice is anxious to learn the stock companies' side of the questions involved, and that notwithstanding the rather sharp methods of the chief examiner in pursuing his inquiries, all the legal assistants of the committee share in this feeling. Both committee and counsel have more than once shown a disposition to welcome the inside facts from the underwriters' point of view, and to consider them with open minds. It would be well if the leading representatives of the Fire Insurance Exchange would take advantage of this desire of the committee to be fully informed, and of this opportunity to place the business in the right aspect with the community. An admirable illustration of what can be said by way of enlightenment as to the fire underwriters' position on many of the questions under public discussion concerning his business was furnished by Mr. George D. Markham, of St. Louis, this week in the testimony which he was invited before the committee to give. The members must have profited by his clear exposition of the irrationality of anti-compact, valued policy and State rate making laws for regulating fire insurance. There was a world of education in the simple statement that the future great conflagration must be considered in the current rate. Where investigators are willing to learn the opportunity to provide should gladly be embraced by underwriters.

THE Albany newspaper correspondents are making out a program of office placing for the Governor-elect which it is to be hoped is largely imaginative. They credit Mr. Dix with the statement that he must have a thorough Democratic administration and the intention to request officials of other party affiliations, whose terms extend beyond his own assumption of office, to resign. These include the present Superintendent of Insurance, who was appointed by Governor Hughes and confirmed by the State Senate to serve until February, 1912. Mr. Hotchkiss, like other State officers, could be removed on charges preferred by the new Governor, if they could be made to hold, but that is obviously a futile hope. We do not believe that Governor Dix—who has given many indications of being a level-headed, self-reliant business man—entertains any idea of asking Superintendent Hotchkiss to resign. At any rate, we trust that the Superintendent won't do it. There is no public demand for his resignation, and if he has seemed overzealous or overevident at times, the people are fully convinced of his conscientiousness and devotion to duty, as well as satisfied with the evidences of his capacity to master the situations with which he has to deal. The State has had fourteen superintendents of insurance since Mr. Barnes took office fifty years ago, and none have exceeded Mr. Hotchkiss in ability or value to the service. Mr. Dix can with more reason contemplate his reappointment in 1912 than his retirement in 1911.

THE State insurance commissioners in attendance on the national convention committees' meetings had a busy week in New York, and cleaned up a number of important questions which have been needing settlement. Foremost among these was that of the definite attitude of the insurance departments toward the proposed uniform law for the regulation of the business of the fraternal orders. The inadequacy of regulation in most of the States makes early action imperative, and while the proposed bill contains features which are objectionable in New York and a few other States, it is undoubtedly best that it be accepted wherever it is admissible. The favorable posture of the commissioners' fraternal committee is therefore to be welcomed. New York can adapt itself to those parts of the bill that are not in conflict with present conditions in the insurance laws. A matter of importance to surety companies was taken up by the committee having their interests in charge: that of the right of the Federal Government under existing Federal laws to supervise surety companies as a condition to accepting their bonds. The Treasury Department has established regulations which conflict with those of the States, and without the authority of any act of Congress, so that its action amounts practically to an exercise of national insurance supervision. It is hardly to be presumed that the Secretary of the Treasury is conscious of this, which may be the conception of an over-officious subordinate, and the committee has taken the right course to have three of its most prominent members call on him and illuminate the situation. The Supreme Court has not yet reversed itself on the non-correlation of insurance and commerce. The commissioners in council this week were bound to take some action as to their judgment on the long pending question of the right of the Union Central Life insurance company of Cincinnati to declare a stockholders' dividend out of that portion of surplus accumulated from non-participating business. A lower court of Ohio has affirmed the correctness of the company's view. The commissioners of several States dissent. The position assumed by the executive committee of the commissioners is embodied in a statement which will be found in the report of the meetings this week in another column. The commissioners all go to Milwaukee next year, and the executive committee on Thursday fixed the date.

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Facts and Opinions.

A **readjustment of fire insurance rates** in parts of **the metropolitan district of New York** by the Fire Insurance Exchange was announced on Wednesday. It secures reductions principally in the congested districts now covered by the high pressure system, but does not affect residential or household furniture risks. The readjustment is the result of recommendations made by the rate committee, which reported that it was believed to be the general sentiment of the Exchange membership that the advance made by the Exchange in 1906, following the San Francisco conflagration, might be safely and wisely rescinded as to almost all classes of risks involved in it. The results of fire underwriting operations in the territory of the Exchange during the four and a half years that have passed since that advance was promulgated, the evidently permanent betterment that has meantime been wrought with the active assistance of the Exchange in fire hazard conditions in that territory, and the implied obligation under which every rating organization rests to make prompt and voluntary concessions in its ratings in recognition of any permanent reduction in the loss ratio, have all tended to this conclusion. The work of the rate committee has been going on since last May, and the effort of some of the daily papers to make it appear that the action of the Exchange was suddenly caused by the influence of the present legislative fire insurance investigation is entirely unwarranted. Manager Robb, of the Exchange, denied explicitly on Wednesday that there is any connection between the two events. It is believed that the reductions will effect an aggregate saving of $1,250,000 to policyholders, but the fire insurance companies are equally benefited by improved conditions in the territory covered.

The construction of the **new Hotel Sherman,** in Chicago, from a **fireproof** point of view is interesting fire underwriters. It is of fireproof and steel construction, with all columns protected. There are no wooden floors except in a few of the banquet halls, where they are laid on concrete bases. In the guest rooms the floors are of concrete, the carpets being fastened to narrow strips laid along the walls. The partitions are all of hollow tile set in cement mortar. There are four public stairways running from the roof to the ground floor, two opening direct into the halls and two being enclosed in hollow tile with self-closing metal doors. The service stairs are also similarly cut off, and all treads and risers are fireproof. The elevators are enclosed in hollow tile shafts, with metal frame doors and wired glass. The furniture and the trim are practically the only combustible material in the building, and it is believed that any fire would be confined to the room in which it originated. Chemical extinguishers are supplied, however, on each floor, with a hose system reaching any part of the floor, and the employees will be given a thorough fire drill. A fire pump with a capacity of a thousand gallons a minute will be supplied, discharging into a pressure tank with a constant pressure of a hundred pounds. From this tank a system of four risers extend to the roof, being 6 inches in diameter from the subbasement to the sixth floor and 4 inches in diameter above that. Whenever a flow of water starts in any of these risers the fire pump is automatically started. and will maintain a pressure of 130 pounds.

The **fire hazard of a fireless cooker** would seem to border on the paradoxical, and yet the Hartford *Agent* treats of it as follows:

The cooker is a wooden box, constructed with one-half inch tongue and groove. The corners are bound with steel angle irons on the outside, but it is not metal lined. In this box there are two round receptacles for holding the food to be cooked. These receptacles have bottoms soldered on, and under and all around these receptacles is packed sawdust, which is held in place by a tin top, fitted to the box and soldered to the receptacles. Then the covers of the receptacles are tin, filled with sawdust, and made to fit into the round receptacles like a plug. The heat is supplied by two cast iron discs, which are put in the receptacles, and the articles to be cooked set on top of them. The discs and food to be cooked are heated in a stove for about fifteen minutes, and then placed in the cooker, the disc on the bottom. The entire cooker is closed, and allowed to remain so for three or four hours, when the food is found to be ready to serve. This cooker had been used to boil a ham, and the ham was removed at 5 o'clock p. m. The cooker was washed out at 8 o'clock p. m., and found to be cold. At 3 o'clock a. m. the inhabitants of the house woke up to find their cooker had caught fire, which had communicated to the woodwork nearby. The fire was extinguished with a hose, and the cooker carried out of the house. The entire bottom and part of the sides of the wooden part of the cooker were burnt. The cover was burnt and most of the solder joints came loose. One of the heating discs was broken. There was, however, a great deal of the sawdust unburnt. The cooker was a total loss, and most of the woodwork in the kitchen had to be replaced. The fire was probably caused by spontaneous combustion. This was very likely due to the sides of the receptacles sweating and dampening the sawdust; or the disc, in being dropped into the bottom, broke the solder and allowed grease or water to get through into the sawdust. The only way to prevent such fires in the future is to discontinue the use of this type, and use only vacuum cookers, or oblige the manufacturers to tin line the interior of the box, and do away with all solder joints in the tin.

The representatives of **the fraternal orders** in attendance on the insurance commissioners' committee meetings in New York this week held a number of conferences, which were participated in by the presidents, secretaries and executive committees of the two great national fraternal bodies—the National Fraternal Congress and the Associated Fraternities of America. Orders and societies with a membership of 3,000,000, including the Modern Woodmen of America, Woodmen of the World, Royal League, Catholic Benevolent Legion and other important organizations were represented. Mr. George Dyre Eldridge, actuarial adviser of the committee of the Associated Fraternities of America, was also in attendance. At these conferences the proposed uniform bill, as well as other matters relating to the best interests of fraternalism in the United States, were discussed and communications read. With few exceptions the latter indicated loyal support of the present attitude of the fraternal bodies toward uniform legislation. The reported objections of the New York and Massachusetts departments to some features of the bill were considered, and the expectation is that when it is presented in a concrete form they will not be serious enough to prevent co-operation. A committee was appointed to consider and report on amendments. The representatives of the fraternal orders had a long conference on Wednesday with the fraternal committee of the insurance commissioners, and the proceedings were satisfactory to both sides upon the whole.

The **New York Insurance Department** has issued **Part V,** the last volume, **of the annual report** of the department. It contains full reports of all examinations of insurance companies made by the department during the year ending July 15, 1910, including in several instances supplemental memoranda of the Superintendent; all amendments to the insurance laws passed at the last session of the Legislature; Court of Appeals decisions; abstracts of all rulings of the Superintendent of Insurance and opinions of the Attorney General on the amendments of 1906 to the insurance law, affecting life insurance, arranged under section numbers of the law; special reports on town and county co-operative fire associations, insurance supervision in Europe, excise reinsurance agreement; matter relating to amortization of securities having a fixed term of maturity owned by domestic insurance companies, and detailed schedules of fees and taxes charged New York insurance companies by insurance departments of other States. The report shows that sixty-eight insurance corpo-

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rations were examined during the year, other than town and county co-operative associations, classified as follows: Fire and marine, 27; life, 7; casualty, etc., 7; assessment associations, 13; fraternal beneficiary orders or societies, 14. This volume is prefaced by an interesting account of insurance supervision in New York prior to and after the organization of the department, furnished by the Hon. William Barnes, the first superintendent, who served ten years.

The **Puritan Life of Providence, R. I.,** announces the appointment of David J. White as agency director to succeed J. D. E. Jones. Mr. White has been in the insurance business for the last twenty or twenty-five years and has been a successful writer of insurance. He is at the present time clerk of the Rhode Island Senate and Deputy Commissioner of Railroads for Rhode Island, and is a man of wide influence and large acquaintance in this State. Under the reorganization of the company agents' contracts will be made direct with the company. It will be Mr. White's duties to supervise the agents and direct agency affairs. The company has also recently appointed John R. Moodie actuary to succeed Charles G. Smith, who has been appointed State Actuary of Massachusetts. Mr. Moodie is a native of Scotland, and has been associated with the City of Glasgow Life Assurance Society. From there he same to New York city, where he was with the New York Life for a short time, and then with the Germania Life. From there he has gone direct to the Puritan Life. Mr. Moodie is an Associate of the American Actuarial Society and a Fellow of the Faculty of Actuaries in Scotland.

There was another **meeting of the Eastern Union** held on Wednesday of this week, at which further important details were settled and sixteen additional companies were admitted to membership, making the total membership now sixty. There are other companies whose officials are favorable to the organization, but who have not yet been authorized by their directors to give in their adhesion. At Wednesday's meeting the report of the committee of seven was finally adopted with a few amendments, the chief being the elimination of penalties and fines for violation. The chair was authorized to renominate sub-committees to handle situations as to territory boundaries in the large city areas, where differing rates of brokerage and commissions should apply. The date for the application of the graded commission rule was changed to the first of February, a limit of time being given to new members of sixty days beyond that date within which to bring their arrangements into conformity with the new conditions. As before announced, the Southern territory of the Union is not covered by these matters, but is being dealt with separately.

The reappointment of Frank H. Hardison as **Insurance Commissioner of Massachusetts** was made by Governor Draper last week, and was confirmed by the Executive Council on last Wednesday. The term is for three years. The following sketch of Commissioner Hardison appears in the *Standard:*

Mr. Hardison is a native of Boston, having been born in that city, although at an early age he moved with his parents to a farm in New Hampshire, where he spent his boyhood days and received his education in the common schools. He was always ambitious, however, and desiring a more liberal education he worked his way through the academy and Dartmouth College, graduating from that institution in the class of '76. His first employment after leaving college was in the office of the Fitchburg (Mass.) *Chronicle,* after which he served for twelve years as assistant editor of the *Gazette and Courier,* of Greenfield, Mass. He later became associated with the Somerville *Journal,* leaving this paper after several years to accept a position with the Boston *Herald,* where, in addition to his regular staff work, he edited the insurance column. He first became identified with the Massachusetts Insurance Department as examiner in 1896, and on the retirement of Commissioner Merrill and the appointment of Commissioner Cutting as his successor, in 1897, was appointed deputy commissioner, a position he filled with credit up to his appointment as commissioner on the retirement of Mr. Cutting in 1907.

A study has been made by E. R. Townsend, engineer for the Western Union, of the headwaters of rivers furnishing **water supply for various towns in Kansas, Missouri and Oklahoma,** and he has found that the available flow has been materially diminished by the clearing of forests, the numerous irrigation schemes, etc., so that at times of drought the supply in many cases is only adequate to meet domestic needs without regard to fire protection. The governing committee of the Western Union asked for further information, and reports were secured from the bureau managers in the various States of a general shortage of water in nearly all the towns which draw their supply from the rivers in the States of Kansas, Missouri and Oklahoma. Mr. Townsend has taken the matter up with the State officials in an effort to have united action in a request to the Government to determine the riparian rights of the commonwealths, so that cities may not become endangered. In the meantime the installation of large storage reservoirs is being recommended to be utilized in emergency cases.

The Indiana fire underwriters' committee, in sending to the companies a copy of the order of the court in the **Indiana anti-trust cases,** calls attention to the fact that the companies still have the right to purchase and furnish to their agents all the estimates and publications of the rating bureaus, and that their practice in this regard is not interfered with. The court emphasized the right of the companies to deal with their own agencies, as well as the right to agree together and with the insured on rates and forms on any one risk, also the "interchanging of information to ascertain the existence of such common forms." While the court prohibits combinations, bureaus, stamping secretaries and local board agreements, particularly where fines and penalties are imposed, yet it permits agents in their individual capacity to meet and organize and to agree on regulations as to rebates, etc. Local agents, however, must state in their agreements that they will have nothing to do with the fixing or maintenance of rates or the imposition of fines, penalties, etc., for violating any common rate.

The purpose of the new organization announced as the **Texas Life Convention** is contained in the following clause in its constitution, which was adopted at the initial meeting:

This organization is formed for the purpose of encouraging, upholding and maintaining the business of life insurance and the best interests of life insurance policyholders through the dissemination of information regarding the science of life insurance, the upholding of correct principles in the conducting of the business of life insurance, the establishing and maintenance of confidence between the managers of life insurance companies and their policyholders, the correction of any abuses which may arise in the methods of transacting the business of life insurance, the promotion of co-operation, acquaintance and the exchange of ideas among the membership, and any and all other things incident to the welfare of the insurers, insured and the public in relation to the business.

The full list of officers of the organization is as follows: President, Henry D. Lindsley, president Southwestern Life, Dallas; vice president, N. H. Lassiter, president Fort Worth Life; vice president, O. S. Carlton, vice president Great Southern Life, Houston; vice president, W. D. Mayfield, president Texas Life, Waco; secretary-treasurer, L. C. White, actuary Southland Life, Dallas.

The increasing demands upon the New York city fire department bring to mind the fact that there has been **no sweeping conflagration in this city since 1845,** when property

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valued at about $17,000,000 was destroyed—an amount which would be considered a small loss if measured by present day conflagration records. A feeling of security seems to exist which is apparently based on the increasing number of "fireproof" buildings being constructed here, and yet the experience in the Baltimore and San Francisco fires was that the contents of such buildings were destroyed easily. If a fire should sweep the district between Chambers street and Fourteenth street from river to river—which is by no means inconceivable under favorable conditions—the resultant loss would be about $1,000,000,000, or more than twice the combined assets of all the insurance companies doing business in New York State. There is plenty of room for the exercise of ingenuity along fire prevention lines, and the time to exercise it is before a loss occurs.

A partial victory has been won in Indiana for the insurance companies by the Mutual Life of New York, which sued the State to **recover the 10 per cent. of fees** which was some years ago retained by State auditors illegally, and which the companies were required to pay again. The ruling of the Supreme Court of Indiana, just handed down, is that the State need not refund the 10 per cent., but that the company may recover the interest which it was required to pay on that amount for the twenty-four years from the time of its retention by the State Auditor until it was paid the second time by the company as the result of a threat to revoke its license. This amount in the case of the Mutual Life was $1,726.84, and the decision presages similar actions by more than a hundred other companies for amounts totaling $12,997.24. The court held that payment to the Auditor was not payment to the State, upon which ground was based the ruling that the companies may not recover the 10 per cent. also.

The total of all fire, marine and inland business transacted in the **State of Pennsylvania** by all companies, home and foreign, stock and mutual, in 1909, according to Commissioner McCulloch's annual report, was as follows:

Premiums received by stock companies	$22,876,495.75
Premiums and assessments of mutual companies	5,587,351.89
Total Pennsylvania business	$28,463,847.64
Losses paid by stock companies	$10,264,800.16
Losses paid by mutual companies	2,639,762.85
Total losses paid in Pennsylvania	$12,904,563.01

During the year twelve new mutuals were licensed, two mutuals were dissolved by order of court, one quit and proceedings are pending regarding the dissolution of two.

At the annual election of the **Underwriters' Association of New York State** this week the following officers were elected: President, Charles E. Dosser, of the Fireman's Fund; first vice president, W. W. Lenox, of the Hartford Fire; second vice president, Stanley E. Jarvis, of the Hanover; chairman of the executive committee, R. G. Potter, of the German-American. Members of the executive committee to serve three years—J. H. Vreeland, of the Liverpool and London and Globe; J. W. Wood, of the New Hampshire, and George B. Grenslet, of the Glens Falls. For two years—F. O. Channell, of the Boston. The following members of the executive committee hold over and have one year longer to serve: E. H. Hornbostel, of the Germania; J. M. Carothers, of the Phœnix of Hartford, and W. C. Roach, of the Ætna.

The grievance committee of the **National Association of Local Fire Insurance Agents** has been selected by Chairman J. H. Southgate, with the approval of President Neale, as follows: E. J. Tapping, Milwaukee, Wis.; F. W. Offenhauser, Texarkana, Tex.-Ark.; H. H. Hickok, Burlington, Vt.; John R. Welch, Indianapolis, Ind. Chairman Markham, of the committee on legislation, has appointed the following as his associates: A. F. Barbour, Yazoo City, Miss.; Horace M. Smith, Terre Haute, Ind.; W. F. Train, Savannah, Ga.; F. E. Alfred, Newport, Vt.; E. W. Beardsley, Hartford, Conn.; O. H. Millican, Austin, Tex.; Knowles Hyer, Pensacola, Fla.; F. H. Wagner, Minneapolis, Minn.; B. F. Kauffman, Des Moines, Ia. President Neale has appointed the following committee to prepare the program for the 1911 annual meeting: George D. Markham, St. Louis, Mo., chairman; E. J. Tapping, Milwaukee, Wis.; Edw. C. Roth, Buffalo, N. Y.

The case of **Ida L. Haas vs. the Mutual Life** of New York, which has been referred to in a previous issue of this paper, was recently before the Nebraska courts at Omaha for a new trial. The result this time was in favor of the insurance company. The company has obtained a verdict upon instructions given by the court as to the law in the case. The former decision was rendered entirely upon facts alleged by the plaintiff in her complaint, and was not, therefore, a trial upon the merits. At the recent trial all of the facts were brought out, and it was held that no recovery could be had on the policy in question. This is the case in which the Nebraska court at the former hearing held that because the policy contained no provision for a forfeiture thereof by reason of a failure by the insured to pay premiums, such failure to pay a premium on the day named did not constitute a forfeiture of the policy.

A **new cause for gasoline fires** is advanced by Director Tolman, of the American Museum of Safety, who says that the majority of persons are capable of giving off a spark of electricity when atmospheric conditions and temperature are just right, and that at such times the contact of a metallic funnel with an open gasoline can or tank would be sufficient to start a fire. Mr. Tolman further states that there are in daily use in New York and other cities thousands of alleged safety cans for gasoline and benzine which are really no better than bottles or ordinary cans. He recommends that insurance permits be so changed as to require one gallon of gasoline or benzine to be kept in a two gallon can in order to minimize the danger from expansion or "boiling over." It is stated that this latter was the cause of the recent factory fire in Newark, N. J.

The **Insurance Hand Book for the State of Illinois** is just published by the Rough Notes Company, of Indianapolis, for the sixth time. It is a very complete directory of insurance matters in that State, containing the address of every licensed company, home or foreign, and every local, district, special or State agent; the name of every member of every insurance organization; statistics of all companies doing business in the State; Illinois business of all companies from 1905 to 1909 inclusive, embracing fire, life, casualty, surety and miscellaneous companies; tables for calculating unearned fire premiums, and short rate tables; a classification of cities and towns as to their population and fire protection, and also a digest of the Illinois statutory requirements relating to insurance. The book is handsomely bound in red leather and sells for $3.08, delivered.

In his address at the opening of the National Association of Cement Users at Madison Square Garden Tuesday evening, W. H. Merrill, of Chicago, president of the National Fire Protection Association, said that the **annual number of fires in American cities** average forty for each 10,000 of

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population, as compared to eight to each 10,000 population in European cities. The annual per capita loss in Austria, Denmark, France, Germany, Italy and Switzerland varies from 12 cents in Italy to 49 cents in Germany, with an average of 33 cents; in the United States the average is $2.47. Berlin has a population of 3,000,000. Its average annual fire loss is $170,000. Chicago, with its population of 2,000,000, burns up annually nearly $5,000,000 of values. We destroy more property by fire than do any four nations in Europe.

An apparent tangle of statutory provisions regarding the **licensing of insurance companies in Texas** has been straightened out by Insurance Commissioner von Rosenberg. When licensing the Louisiana National Life a few days ago he stated that the law providing that no license shall be for a period of less than three months, nor shall extend beyond the last day of February next following the date of the license, would not operate to prevent the issuing of licenses after December 1. The old method of assessment of the occupation tax, which brought out the three months' limit law, has been superseded by taxation based on the last year's business for any part of a year. Although there are no applications for licenses new pending in Texas this ruling will be of interest to all insurance companies.

The **New York Life** is pushing its **monthly income policy** strongly, and in the current *Bulletin* uses the old saying, "You never miss the water 'til the well runs dry" to introduce the following questions, which will be found of value to any agent soliciting this kind of insurance: "When you are dead what will your wife or your mother do for a living? Will she run the farm? Will she take in sewing? Will she take in washing? Will she clerk in a store or office? Will she start a boarding house? Will she live on the charity of friends and relatives, or will she go to the poorhouse? Can she pay off your debts? Can she pay off the mortgage? Can she wind up your affairs. You may own your own home, but will it provide her with food and clothing?"

The **Iowa Department** recently ruled that certain riders could not be attached to the **standard fire insurance policy.** This bars the mortgage clauses in common use, the only rider attached under the ruling being the ordinary "loss payable" clause. The department states that it has no objection to the making of an independent contract between the insurance company and any mortgagee or trustee so long as the contract is not attached to the policy. The Iowa committee has submitted a form for this independent contract, including a specific provision for determining the amount of loss and damage in case the insured for any reason should fail to file proofs of loss within the prescribed time.

It is announced that Bainbridge & White, Brooklyn and suburban managers for the City of New York insurance company, Imperial of Denver, Cooper of Dayton, Ohio, New York Plate Glass and Ætna Indemnity companies of New York, have **purchased the Kellock & Voorhees agency,** to take effect January 1, 1911. This will add to the above agency the County Fire of Philadelphia, Merchants of New York, and the Commonwealth and Austin of Texas. The Bainbridge & White agency will take larger quarters at 150 Montague street. Mr. Kellock will retain an office at the same address, and Mr. Voorhees will act as counterman.

A **former Insurance Superintendent of Kansas,** Simon H. Snider, was **indicted** at Kansas City November 17, 1908, and found guilty on trial by a jury of using the mails with intent to defraud as to the value of a mining property known as the "Two Queens," near Winkleman, Ariz., of which he sold $182,000 of stock. He was sentenced to imprisonment and fine by the Federal judge, but appealed and was released on bond. The United States Circuit Court of Appeals has just confirmed the sentence. Mr. Snider now lives at Phœnix, Ariz. He served as Insurance Superintendent of Kansas from 1893 to 1895.

There has been some criticism for years that the control of the **Life Underwriters' Association** was fixed in the same people through the nominating committee, usually made up of the so-called inner circle. Some protest was made after the last election, and this year a new deal has been guaranteed by the appointment of a nominating committee made up of new blood. William B. Carlile, of the Mutual Life, is chairman, and the other members are J. L. Ferguson, of the Illinois Life; Bernard Goldsmith, of the Home Life; H. B. Johnson, of the Hartford Life, and Fred B. Mason, of the Ætna Life.

The retirement of **George W. Perkins** from the firm of J. P. Morgan & Co. was formally announced this week, with the accompanying report that he retires after ten years' connection with $30,000,000. Mr. Perkins began business life as a life insurance agent at Cleveland, and after a phenomenally successful career was called to the vice presidency of the New York Life in 1892. He retired to become a banker. An unconfirmed report is that he will become one of the trustees of the Equitable Life under the Morgan trust, filling the Cleveland vacancy.

Baltimore insurance men recognized the ominous note in the instructions by the Atlas to its Baltimore agency to **"protect its business,"** which came following the announcement by the Niagara Fire that it would cut the dwelling rate in that city 50 per cent. A hurried visit to New York by officials of the Baltimore Underwriters' Association brought about a halt until Manager Frank Lock can visit Baltimore and investigate matters. The trouble is said to have followed a refusal to admit the Atlas agents to membership in the board.

The directors of the **Newark Fire insurance company** have elected E. J. Haynes, Jr., to be president, succeeding the late John J. Henry. Mr. Haynes has been the well known special agent of the Springfield Fire and Marine in eastern New York and northern New Jersey for eighteen years, and has proved to be one of the most worthy men in the business. His election as president of this company is extremely gratifying to his many friends. He will assume the new position as soon as he can arrange his present affairs.

There will be a new Governor in **Michigan** after January 1, and therefore presumably a **new insurance commissioner** in the place of Mr. Rowland, who has succeeded Mr. Barry, and is without question the best man for the place. The *Insurance Field* learns, however, that Mr. C. A. Palmer, of Manistee, is the choice of Governor-elect Osborn. Our contemporary also makes the interesting announcement that the nickname of Mr. Palmer is "Puss." The commissioners' convention should inquire into this.

A Philadelphia dispatch in Friday's papers tells of a $1 loss by fire and a $100,000 resultant water damage, caused by a small blaze on the fifth floor of a seven story building, which, the dispatch states, "was sufficient to **start the automatic sprinklers,** and every room in the building was flooded." Those familiar with sprinklers do not believe the story. It was

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probably written by some youth with no idea whatever of a sprinkler equipment or its operation.

The following nominations for 1911 officers of the **New England Insurance Exchange** have been made: President, one year, J. W. Grover; first vice president, two years, A. K. Slade, Jr.; second vice president, one year, W. H. Lewis; chairman executive committee, two years, R. B. Ives; for members of executive committee, two years, H. A. Wiley, G. G. Bulkley; one year, A. H. Mills, A. L. Bliss and H. B. Sly.

The first New York fireman to be **retired on full pay** is Capt. James J. McCormick, who in 1888 helped his crew to escape from the Brooklyn Pratt Oil Works fire, and in so doing lost the use of both arms. He has been employed in the fire marshal's office since, and is now retired at $2,500 per year. Commissioner Waldo has proclaimed him to be the bravest fireman that ever donned a helmet.

The **Sovereign Fire of Canada,** just admitted to the United States, is acquiring some very desirable connections. Kelly & Fuller, its metropolitan managers, are already doing a desirable business for the Sovereign. The statement of the company, filed with the New York Insurance Department, shows total assets of $508,117.50, with a surplus to policyholders of $170,406.17.

By the opinion of Judge Dennison, of the Circuit Court of the United States for the Eastern District of Michigan, the **Jefferson Fire of Philadelphia** is held to have proceeded legally and without liability for damages in its termination of the contract with its general agents, Bierce & Sage. Moneys held in trust pending the outcome are ordered released to the company.

The Governor of **Texas** has appointed Messrs. H. L. Wright and R. M. Hamby, of the old State Rating Board, to be members of the **new State Insurance Board** under the insurance law which went into effect in Texas on December 10. The board is busy arranging the new general basis schedule, the old one remaining operative until the new one is promulgated.

A **rally of Equitable life agents at St. Louis** was attended by about 175 field men of the Central Western States. President Morton and other officials of the company were present, as was also John A. Hartigan, who is to become supervisor for the Equitable for the Northwest on the expiration of his term as Insurance Commissioner of Michigan.

The **Fire Insurance Society** of Newark, N. J., has elected the following officers: Frederick L. Hoadley, assistant secretary of the American, president; A. F. Chapman, vice president; J. E. Mayer, secretary and treasurer. Executive committee—George C. Plume, Ross M. Wickham, T. C. Moffett, W. S. Naulty, M. J. Price and H. F. Trinti.

In accepting the resignation of **J. H. Lenehan,** Western manager of the Fidelity-Phenix, President Fred S. James, of the Western Union, expressed appreciation of his efficient services for that organization as president and a member of its various committees, with the hope that his separation from the business would be only temporary.

Fire insurance companies carrying lines on the buildings at the **Utica State Hospital for the Insane** will be interested to know that because the State officials and the Consolidated Water Company of Utica are at loggerheads over a water rate the mains surrounding the buildings are dry, and there is no fire protection for the institution.

Insurance offices using the **Red Cross Christmas seals** should remember that they will not be permitted on mails going to Guatemala, Uruguay and Portugal, nor to other countries except when affixed to the back of envelopes and packages. Mail matter not in accordance with this rule will go to the Dead Letter Office.

The **Monongahela Fire** has just amended its charter so as to conform to the New York laws, and will apply for admittance soon after January 1. At the annual meeting the following officers were elected: President, William G. Whilden; vice president, L. A. Burnett; second vice president, M. W. Stoner; secretary, W. T. Reifsnyder.

The Mutual Life of New York is to **retire three of its oldest employees** on January 1 on half pay. They are W. W. Richards, manager; Henry S. Brown, assistant manager, and a Mr. Eleman, all of the real estate department. According to custom the men will be placed on a reserve list, to be called upon when needed.

The organization of the **El Paso Life of Texas** has been suspended, for a time at least. J. A. Bordeaux, who spent a good deal of time at the task, has given up and moved to New Mexico. He still thinks the project can be carried to success, however. The company he controls owns the majority of stock.

The **California State Life of Sacramento** has been incorporated, with $500,000 capital, to transact life, accident and health insurance. The following officers have been elected: H. S. Bridgewater, vice president (acting president); A. G. Folger, treasurer; J. R. Whisner, secretary, and Dr. T. J. Cox, medical director.

The **Orient of Hartford,** which has been defending an action for **alleged libel** on account of its answer in the Hotel Ampersand case, has won, the complaint having been dismissed by the Appellate Division of the Supreme Court of New York State this week. The plaintiff asked $50,000 damages.

Ten years ago the insurance companies paid $75,000 for the total loss of the Salt Lake City property of the Mine & Smelter Supply Company. It has just been discovered that the firm **kept a stock of dynamite caps** stored in the buildings, and suit has been started to recover the money.

Texas fire insurance men say that the new schedule shortly to be promulgated by the new **State Insurance Board** will be no better than the old one, and that a strong effort will be made to have the State rating law abolished entirely. The new law is said to be more drastic than the old one.

The recent unusual loss of membership in the **Ancient Order of United Workmen** is attributed by its assistant secretary to the increase of rates. The Grand Lodge of the order was in session at Louisville last week, when attention was called to the dropping off in membership.

The Colorado law **permitting suicide** during the first year of a life insurance policy without prejudice to the claim of the beneficiary under the policy has been upheld by the Colorado Supreme Court. Fraternals as well as other life companies are affected by the decision.

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The shareholders of the **Law Car and General** of London have expressed their desire, at a private meeting, to have the company dissolved under supervision of the court, and the directors have called a public meeting at which the matter will be taken up for final consideration.

A dinner was given Thursday evening by the Life Underwriters' Association of New York **in honor of W. C. Johnson,** who recently resigned the agency of the Phœnix Mutual Life in this city to go as vice president and general manager of the Columbian National Life of Boston.

The Warren-Ehret Roofing Company has been sued in behalf of several interested fire insurance companies for alleged negligence in allowing **boiling tar** to set fire to the roof of a Pittsburgh building, resulting in claims against the insurance companies on account of the fire loss.

The Kentucky **tobacco men** who organized a **mutual company** for the purpose of carrying their own insurance have **decided to give it up** and insure with the stock companies. The heavy liability involved in the large warehouses was a constant menace to the mutual idea.

The **new Insurance Commissioner in Nebraska** is to be Charles Randall, of Newman Grove, according to an anouncement by Governor-elect Aldrich. He is a banker, and has served twice as State Senator. The deputy commissioner will be A. M. Gallagher, of Omaha.

Objections to the proposed merger of the Automobile Insurance Company of America of Indianapolis with the Federal Union Surety of Indiana has been manifested through an **application for a receiver** for the former company, filed by a St. Louis stockholder.

Montgomery, Ala., reputed to levy the highest **taxes** on insurance companies of any municipality in the South, is said to be about to revise its tax ordinance so as to provide for a flat assessment of $250, together with 3 per cent. of the gross premium receipts.

With regard to the **water famine in Dallas, Tex.,** a special report of the National Board engineers says that the city officials are handling a serious situation in an excellent manner, and that they are willing to act on suggested methods of obtaining relief.

The **new "typewriter form"** of fire insurance policy is invalid in New Jersey, according to the ruling this week of Insurance Commissioner Lewis. New Jersey is one of the few States which has not yet by law authorized this convenient form of policy.

Manufacturers of **gasoline motor trucks** are delighted that the prohibitive embargo placed on these trucks by not permitting them inside ocean steamship piers has been removed by the insurance companies. A boom in the sale of motor trucks is expected.

The **Guarantee Life of Houston, Tex.,** has appointed Rawlins M. Colquitt, son of the Texas Governor-elect, to be superintendent of agencies.

Pittsburgh is to have a new fire insurance company, to be known as the **Fort Pitt Fire,** with capital of $200,000 and surplus of like amount.

The **Provident Savings Life** announces that Dr. Eugene L. Fisk, medical director, has been elected secretary of the company, vice Robertson G. Hunter, resigned, effective December 15. Dr. Fisk will continue his duties as medical director.

Examinations by S. H. Wolfe of the Safety Fund Life and Northwestern National Life, both of Minneapolis, for the Minnesota Insurance Department, have been completed and the results reported to Commissioner Hartigan.

Among the things the **Iowa Legislature will be asked to do** this winter is to enact laws providing for a State fire marshal, a 50 per cent. pro rata reserve, authorizing coinsurance clauses and prohibiting discrimination.

The examiners of the Illinois Insurance Department have suspended their examination of the **Modern Woodmen of America** until after the first of the year. They will then bring the figures down to the end of the year.

The **National Home Fire of Atlanta** is expected to be ready for business soon after January 1. Its president is to be William J. Harris, who is also president of the Georgia Fire. The two companies are to be running mates.

In Ohio a life insurance policy which provides an **annuity for the beneficiary** is unassailable by creditors, according to a recent court decision. The question came up during a recent bankruptcy proceeding in that State.

A special meeting of the stockholders of the **Fidelity-Phenix** has been called for December 23 to consider an amendment to the company's charter to allow it to write earthquake, sprinkler leakage and automobile lines.

In **Arkansas** State Auditor and Insurance Commissioner Jobe favors a **new code of insurance laws,** and also favors the separation of the Insurance Department from the office of the State Auditor.

The **conflagration hazard** is high **at Lexington, Ky.,** according to the report of the National Board engineers, on account of poor construction and the absence of fire fighting facilities.

The **Illinois Fire Prevention Association** will defer active operations until the State fire marshal department is made effective by a law providing funds for its conduct.

An insurance man familiar with figures says that the **average fire loss** of $250,000,000 in the United States is more than the cost of all the State governments in the Union.

There has been serious complaint of a **water famine at Joliet** and Pana, Ill., the driven wells having gone dry and the reservoir being empty at Joliet.

In the year ending December 10, according to the *Journal of Commerce,* there were thirty-nine **schoolhouse fires,** involving a fire loss of $1,839,000.

A receiver has been appointed for the **Lincoln and Liberty mutual fire insurance companies of Philadelphia.** The two companies will be closed up.

The total **fire insurance loss in Chicago** this year, assuming a normal loss for the balance of December, will exceed 1909 by over $1,100,000.

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The **Indiana Industrial Life of Terre Haute** has been put in the hands of the United States Trust Company, of that city, as receiver.

New York city fire badges have been distributed to the members of the New York Board of Fire Underwriters.

The **United Firemen's of Philadelphia** is to enter Massachusetts through the office of Wakefield, Morley & Co.

The stock fire companies and American Lloyds are competing for **sprinkler leakage business** in Minnesota.

Fireworks are taboo in the city of **Louisville, Ky.**, from January 1, 1911, being deemed a public menace.

The annual meeting of the **Kentucky Fire Prevention Association** will be held at Louisville January 14.

The Chicago **cases against** alleged **rebating** life insurance agents will be called for trial December 20.

The **iron safe clause** has been upheld by the Oklahoma Supreme Court.

Louisville, Ky., is to have a new and improved **fire alarm system.**

Personal.

AGENCY APPOINTMENTS.

Ætna: F. W. Mathews, special agent in eastern Massachusetts and Rhode Island.

Liverpool and London and Globe: Gustav Frank & Co., general agents for automobile and tourist floater departments.

Mutual Life of New York: A. W. Brown, agency manager at Davenport, Ia.

Royal: W. E. Holt, formerly in Michigan for the Niagara, State agent for Michigan.

Scranton Fire: H. P. Magill & Co., of Chicago, general agents.

Mr. Thor. Schreiber has resigned as special agent of the Standard of Hartford in Michigan and Indiana, to become Michigan State agent of the Sun of London. Arthur R. Porter, who has been special agent for the Western Reserve in Michigan and Wisconsin, succeeds Mr. Schreiber with the Standard.

Hon. Joel Cook, Congressman from Philadelphia and vice president and treasurer of the United Security Life and Trust of Philadelphia, died at Philadelphia, Thursday, December 15, from the effects of a stroke of apoplexy in Washington last week Saturday. He was sixty-eight years of age.

Mr. John B. Knox, Jr., has resigned as special agent of the Reliance for New England, and will go with the Liverpool and London and Globe as special agent for Connecticut, western Massachusetts and Vermont, succeeding Henry M. Fenton, who has been transferred to Boston.

Mr. C. J. Noe has resigned as special agent in Iowa for the Commercial Fire of Des Moines, to become special agent for the State of Omaha in Illinois, Iowa and Missouri, with headquarters at Des Moines.

Mr. George E. Foss, Cook County special agent for the Ætna Fire, for which company he had worked thirty-five years, died at Morgan Park, Ill., December 12, of pneumonia.

Mr. Fancher M. Hopkins has resigned his connection with the home office of the Southland Life, at Dallas, Tex., to take up newspaper work at Binghamton, N. Y.

Mr. William Danhart, president of the Bankers Life insurance company of New York, died at his home in Brooklyn, December 7, aged sixty-two years.

Mr. William L. More, formerly a widely known insurance man, died at Milwaukee November 22, aged sixty-seven years.

Mr. Samuel Sprague, formerly Minnesota agent for the Commercial Union, died at Victoria, B. C., December 8.

Casualty and Surety Insurance.

Unusual accidents of the week include the following: At Mobile, Ala., a train knocked a cow from the track, killing it. The dead cow struck a negro, killing him. The negro fell on a dog, killing it.

A boy employed in a New York factory fell into a vat of cyanide of potassium and swallowed a little, killing him almost instantly.

One of two men riding down on an elevator used for hoisting materials in the construction of a Charleston, S. C., building, was killed when the engineer of the hoist engine dropped the elevator, not knowing anyone was on it.

A Cleveland judge fainted as he opened a window for air and fell from it, being instantly killed on the stone pavement seven stories below.

A Cincinnati woman, who was having a dress fitted at a modiste's shop, fell from the chair on the appearance of a telephone collector, and broke five ribs.

A hunter at Allentown, Pa., was killed when he attempted to pull his gun through a hedge, the vines engaging the trigger.

At Columbus, Ohio, a man swallowed his false teeth, and did not survive an operation to recover them.

At Kalamazoo, Mich., a man laughed so heartily at one of his wife's jokes that he broke his jaw.

A Newburgh, N. Y., man mistook the carbolic acid bottle for one containing castor oil, and died after drinking some of it.

The closing of a steel frame folding bed nearly decapitated a New York civil engineer, who died from his injuries.

At Rawlins, Wyoming, a trainman was dragged from his train by the mail snatcher arm on a passing train on the adjoining track. He escaped fatal injury.

On Tuesday new officers were elected for the **Philadelphia Casualty**, as follows: President, J. Arthur Nelson, who is vice president of the Fidelity and Deposit; vice president, William Hugh Harris, manager of the casualty department of the Fidelity and Casualty; secretary, Robert G. Hazeltine; treasurer, C. J. R. Sproule. The directors are J. Arthur Nelson, W. H. Harris, B. L. Henderson, all of Baltimore; Herman Hooper, Edward Hooper, W. L. Talbot, Robert G. Hazeltine, C. J. R. Sproule, Raymond Pitcairn, F. X. Quinn and Clarence M. Brown, of Philadelphia; Kennedy R. Owen, of New York.

The *Review* of London takes a pessimistic view of the economic habits of the **British labor class.** It says:

British workmen are of course improvident. The only people unaware of this are the British workingmen themselves. So many things are being done for them by a paternal government that a great number view thrift as altogether mistaken zeal. It is true a few millions belong to friendly societies, but their numbers are dwindling year by year. This decrease is deplored by those engaged in the work, and some are disheartened by the difficulty of obtaining new members. If the powers of reasoning among the workers are being highly developed, they seem to have gone down the wrong turning. We are reluctantly obliged to state our conviction that improvidence with working men is not only well developed, but is continuing to increase at an alarming rate.

Instead of a **general association of Southern insurance companies**, the association formed at Atlanta last week will limit its membership to Southern casualty companies, and is to be known as the Southern Casualty and Surety Conference. Eighteen members were enrolled and the following officers were elected: President, M. D. Johnson, Jacksonville, Fla.; vice president, H. F. Huffaker, Chattanooga, Tenn.; secretary, C. J. Goodman, Jackson, Tenn.; treasurer, C. A. Langford, Savannah, Ga. The next meeting is to be held at Tate Springs, Tenn., October 12-13, 1911.

The non-adjustment of the **cotton bills of lading matter** this year has caused the American Bankers' Association to decide to present and urge the passage of the Stevens bill, with certain amendments which are now being prepared. The association expects that the reference to the matter in the message of President Taft will help to expedite the enactment of the desired law. The 1910 cotton crop, or most of it, has been

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moved under the old rule through its extension by European bankers until January 1, 1911, but after that time some new arrangement will be imperative.

The **National Mutual Union** is an association of mutual health and accident companies formed at the Claypool Hotel, Indianapolis, last week, with seventy-five members. The following officers were elected: E. G. Robinson, Mansfield, Ohio, president; A. D. Bailey, Detroit, first vice president; C. H. Clemens, Buffalo, N. Y., second vice president; F. M. Goodman, South Bend, Ind., secretary; W. C. Ryan, Fort Wayne, Ind., treasurer. Another meeting will be called soon by the executive committee, of which C. H. Brackett, of Indianapolis, is chairman.

Casualty insurance men are very busy. Home office managers are striving to secure approval to their policy forms in time to permit them being printed and distributed to agents in time for business on January 1, with prospect of disappointment in some cases, as a letter from the Massachusetts Insurance Department gives notice of rulings to come along early next week. In the field agents are exerting themselves to get the maximum of business on the books before January 1, when the present liberal policy forms must be withdrawn.

The **Casualty and Surety Social Club** held its annual business meeting and dinner at Reisenweber's Wednesday evening, at which the following officers were elected: President, Frederick J. Walters, of the London Guarantee; vice presidents, Nelson O. Sterling, of the Ætna Indemnity, and David W. Armstrong, Jr., of the National Surety; secretary, W. J. Johnson; treasurer, D. G. Lockett; executive committee, William A. Rogers, W. J. Tomlins, Jr., Arthur Collins and E. H. Hoagland.

The **United Fidelity and Guaranty of Baltimore** will on January 1 open a new Southeastern department at Atlanta, which will have charge of Georgia, Florida, Alabama and a part of South Carolina. The joint managers are to be Charles W. Olson, William A. Smith and Caryl A. Brown. The headquarters will be in the Empire Building.

The **Metropolitan Casualty** is about to open a branch at Chicago, of which Edwin M. Goodwin will have charge. This will replace the general agency system of which Charles F. Pogge has been in charge. Mr. Pogge has formed a partnership with another Chicago insurance man, having found himself in need of physical relaxation.

Applications to organize the following **new national banks** were approved this week by the Comptroller of the Currency: The First National Bank of Williamsburg, Ohio, capital $25,000; the Pine Bush National Bank, Pine Bush, N. Y., capital $25,000, and the Farmers' National Bank of Warsaw, Ill., capital $25,000.

The **Minnesota Casualty** is a new organization at St. Paul which proposes to write fidelity, burglary, steam boiler, sprinkler leakage, credit, liability and general casualty lines. It has an authorized capital of $300,000. The president is Lieutenant Governor E. E. Smith and the secretary is H. W. Benton.

One of the regrets of the recent **transfer of the Philadelphia Casualty to the Fidelity and Casualty** will be the cessation of the visits of "The Philadelphia Man," who had been welcomed but three times. He was an evidence of good management in the agency department.

The **Board of Casualty and Surety Underwriters** has elected John T. Stone to be chairman of its executive committee to succeed the late George F. Seward. President Robert J. Hillas, of the Fidelity and Casualty, was appointed a member of the committee.

An interesting court decision without any direct insurance bearing comes from the Washington Supreme Court, which held that no one has a right to **interfere with the employment of another** and make him a pauper without becoming liable for damages.

How to secure fair adjustments of **damage to automobiles** is being considered by automobile underwriters, who have been experiencing unusually heavy losses of late. The present methods open the way for large claims by dishonest owners.

An examination of the **Pacific Surety Company** of San Francisco by S. H. Wolfe for the California, Colorado and Minnesota insurance departments has been completed, and the report has been submitted to the commissioners of those States.

The **Missouri Miners Casualty** of Joplin, Mo., organized for liability business, has merged with the Missouri Fidelity and Casualty of Springfield, which expects to start business shortly.

Chicago agents of **London Lloyds writing automobile policies** will stand on their dignity and not attempt to meet the recent rate reductions of the stock companies.

A country-wide **automobile rate war** may grow out of the present inability of the stock company men and the American Lloyds men to agree on a schedule.

Receivers have been petitioned for for the **Enterprise Casualty of Philadelphia**, which has not yet started business. Mismanagement of affairs is charged.

October embezzlements, as compiled by the Fidelity and Casualty, total $684,688.

Miscellany.

The Detroit Conference—General Report of the Executive Committee.

The following was the report of the executive committee of the Detroit Conference at the semi-annual meeting of the organization held at Detroit on Thursday and Friday of last week, a report of the proceedings of which appeared in our issue of last Saturday:

To the President and Members of the Detroit Conference:

The four months which have elapsed since the close of the twenty-fourth convention at Mackinac Island, on July 29 last, have been filled with matters of interest to every company, some of which will be referred to in this report.

The executive committee has held one session at New York on October 19. To this meeting every company was urged to send a representative to take part in the discussion on the new Conference Policy, and with power to bind his company, if required. The response to this invitation far exceeded the expectations of the committee, and indicated a general desire on the part of the members for a new policy, thus indorsing their action on the matter at the last convention. The matter was discussed from every possible viewpoint during the entire day, and resulted in a committee being appointed to draft a new Conference Policy. That committee, consisting of Mr. Fibel, Mr. Boyer and Mr. Behrens, have faithfully attended to their duty. They have had several meetings and have had the advice and counsel of several representatives of the largest companies in this Conference.

The form of policy which will be submitted we believe will

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meet the approval of all. It bears the marks of earnest and conscientious effort on the part of the sub-committee appointed, and we trust it will be accepted by the members as the Standard Conference Policy. The recommendations of this sub-committee were drafted and a copy sent to every Conference company on November 29 last.

THE BUREAU OF PUBLICITY.

After several years of earnest and disinterested effort on the part of the executive committee of the Board of Casualty and Surety Underwriters, the International Association of Accident Underwriters and the Detroit Conference, there has been formed since our last convention an organization or association of companies known as the Bureau of Publicity, with headquarters in Detroit.

The special province of the bureau will be to look after matters of publicity, departmental relations and legislation affecting all branches of casualty insurance, and will be similar in its workings to that of the Association of Life Presidents. The gentlemen in charge of its organization have selected as manager of the bureau, the Hon. James V. Barry, formerly the Insurance Commissioner of Michigan, and this conference is represented on the Governing Committee by Messrs. H. G. B. Alexander and A. E. Forrest. I do not think I can do better at this time than to quote a few words from an address by Robert Lynn Cox, general counsel and manager of the Association of Life Insurance Presidents, delivered at the convention of the Board of Casualty and Surety Underwriters on October 19 last, setting forth the value of such an organization.

Mr. Cox said: "State officials are generally willing to listen to argument based on the interests of the business as a whole, though they frequently manifest impatience with a position taken by the individual company seeking to protect its individual interests. Why, then, can we not maintain organizations among ourselves which will not only work for the general interests of the business, but against which the charge of personal interest cannot fairly be raised and against which it is not likely to be presumed. An association of companies which would fearlessly represent the interests common to both large and small, those of the East and of the West, of the North, and of the South, whether mutual or stock in their form of organization, would surely be representative of the business in a sense which could not be said of any company alone. Such an organization would represent more nearly the interests of policyholders than do State officials, because the public to which these officials owe allegiance includes many who are not policyholders, and whose interests are not in all respects identical with policyholders. Can there be any doubt of the potency of such an organization, or of its influence in meeting the problems of statutory regulation of the business which it would represent? Its strength would not lie in its being merely an organization of companies, but in being an organization from which had been banished the selfish spirit which hitherto has brought discredit to corporation management generally, and is largely responsible for the public demand for their control by law. With the reputation of such an association firmly established by actual performance along the lines I have indicated, there would be no difficulty in getting a hearing from legislators and public officials generally, nor would there be a likelihood of its advice being set at naught by those charged with the protection of public interests."

Many of the companies belonging to this conference are already members of the bureau, but to those who are not members the executive committee wish to urge in the strongest possible manner the advisability of becoming active members at the earliest possible moment. The work to be done is for the interest of all; the smallest company represented here will share equally with the largest the beneficial results brought about by the bureau. This being the case (and it admits of no question), we feel that in the spirit of loyalty which pervades this conference, that all should join hands in promoting its work and supporting its existence.

The expense is graded and equitably based on the business done by the individual company and is not burdensome. Not a company here but can well afford the small expense involved, and we do not believe that any of our members will be willing to share in the benefits they will receive, without cheerfully paying their proportion of the expense.

STANDARD PROVISIONS LAW OF NEW YORK AND MASSACHUSETTS.

At the last session of the Legislature in the two States mentioned a law prescribing certain Standard provisions to be incorporated in all policies of accident and health insurance written in those States after January 1, 1911, was passed. This law affects all companies doing business in those States and so became a matter of vital importance to all of us. Since our last convention, the different members of the executive committee have given a great deal of their time to the matter. Meetings have been held with the insurance commissioners and the construction of the various provisions have been freely discussed and a broad ground on which both the company and the commissioner could meet has been found. The result of this work will doubtless become public before the date of this convention. The executive committee in view of the great amount of work accomplished, work which will so largely affect the future of casualty underwriting, feel fully warranted in saying that the work of the last four months has been one of marked progress.

Respectfully submitted,

WM. H. JONES, Chairman.

The Fire Insurance Investigation.

On Friday of last week the principal witnesses before the New York Legislative Investigating Committee were Col. A. H. Wray, of the Commercial Union, and S. Albert Reed, manager of the Suburban Fire Insurance Exchange.

Colonel Wray's testimony covered a wide range of fire underwriting, and he gave the committee many important facts to consider. On the subject of combinations of fire underwriters, which seemed to so trouble Counsel Bruce of the committee, he expressed the opinion that if there was no co-operation as to rates in this city the smaller companies would be forced to the wall. There were combinations in all branches of trade, and it is a matter of common knowledge that combinations in business are a development of modern life.

Regarding the brokers' pledge, Colonel Wray said that it was merely a matter of equity. The companies had asked the brokers to comply with their rules, and in exchange the companies were bound to protect the brokers from unfair competition, such as rebating and kindred evils. Regarding commissions to agents, the standard of incomes has gone up in every other line of business. While there has been appreciation in value of property, the number of agents as well as companies has vastly increased, and where the old agent in the town of 10,000 inhabitants or more formerly had a monopoly, now he is compelled to share his business with a number of other agents.

Colonel Wray declared also that rates on dwellings in this city had been reduced to one-third their former figure by competition, and that they were still profitable. There must be a profit in underwriting somewhere, he said, and mercantile rates are the reverse of money makers.

Mr. Reed explained the methods of the Suburban Exchange. Rates on different classes of risks had been lifted to what is a just and equitable standard. The rates had been raised, he replied, in answer to Mr. Bruce's question, "because the old rates were unprofitable."

Mr. De Berard, statistician of the Merchants' Association, read the letter recently addressed by the association to the committee, in which it was argued that commissions paid to agents and brokers and the taxation of insurance were all too high, and had to be borne in the end by the policyholders.

Several witnesses appeared before the committee to complain of the rates exacted of them by the companies, Mr. Egan, of Rockaway Beach, testifying that since the establishment of the Suburban Exchange his insurance had been raised to nine times what it had been, and Mrs. Werder, of Gates avenue, Brooklyn, informing the committee that on the same property her rate had risen from $12 in 1900 to $102 in 1910.

On Saturday there was much interesting testimony about the elimination of the Buffalo German Fire from the list of companies acceptable to the Lawyers Mortgage Company because the former declined to purchase bonds which it did not want from the latter. The mortgage company held that business should be reciprocal.

Henry W. Lowe, of Johnson & Higgins, was of the opinion that a reduction in brokers' commissions would bring

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about a reduction in rates. He said that he had found the Fire Insurance Exchange very fair in all its operations, but he favored the licensing of brokers by the State instead of the Exchange.

Mr. George D. Markham, of St. Louis, was the leading witness before the committee at Tuesday's hearing. He testified that he had been in the fire insurance business twenty-nine years, and was at present manager of the Individual Fire Underwriters of St. Louis, which was established in 1902 to write on high class risks over and above what the regular companies could accept. He explained the operation of the anti-compact law in Missouri, which made rates higher, and that of the St. Louis Bureau of Inspection, which made them more equitable. He also shed very much needed light on the way State rate making worked to the detriment of the insured in Kansas and Texas.

Asked for his opinion about London Lloyds, Mr. Markham said it was made up of groups, some of which were good and some undoubtedly bad. He did not believe that fire insurance companies were being overpaid at present. In the next five years a large number of old line companies would probably be forced out of business. It was his opinion that the high commissions to agents resulted largely from the multiple system of agencies. Laws forbidding discrimination by agents would be the best thing to remove complaints, and would make supervision by a State board unnecessary. The regulation of rates by the State would hasten the extinction of the small companies.

Charles W. Cool, of Lennox Falls, N. Y., said that he had been engaged in general insurance business for thirty-one years. He was of the opinion that the public are confused as to the earnings of insurance companies, owing to the fact that in advertising their surplus insurance companies do not make it clear what part of it is earned in fire insurance and what part from other investments, such as securities. Mr. Cool did not express himself in favor of State rate regulation.

That a body similar in function to the Interstate Commerce Commission should regulate the fire insurance business was the opinion expressed by Charles F. Hildreth, a general insurance agent of Freeport, Ill. Mr. Hildreth also thought that the fire insurance business is supporting too many men.

On Wednesday the fire insurance investigation was resumed, and Alfred R. Conkling, a real estate owner in New York, voiced his dissatisfaction with the rates on his property, which went up from $1.15 to $4.12 in a year. He said that he was forced to "take his medicine."

Mr. Edward J. Tapping, a Milwaukee underwriter, admitted that exorbitant commissions were sometimes paid to agents, but was reluctant to recommend any definite measures to the Legislature. Theoretically he thought the State should insist on the supervision of agents and rates.

Mr. A. W. Neale, of Cleveland, Ohio, thought that the abolition of the New York Fire Insurance Exchange would make but little difference, as independent rate fixers would do the same work. The ratio of commissions in Ohio varied from 20 to 35 per cent. He had been informed that as high as 50 per cent. commissions were paid in some parts of the country on preferred business.

A Chicago agent, Lyman M. Drake, offered two remedies for the reduction of the cost of insurance—the elimination of taxes not necessary to the maintenance of supervision of insurance and a higher class and smaller number of agents. Mr. Drake also suggested that agents should be obliged to put up bonds as a guarantee of their good faith and honesty.

On Thursday Mr. Reed, of the Suburban Exchange, was again on the stand to explain the reasons of the advance in rates, about which Rockaway Beach and other suburban property owners complained. He said that there were specific reasons for each specific advance, one of which was the increased exposures. He was examined as to rates within his jurisdiction and gave information.

Insurance Commissioner Hardison, of Massachusetts, testified to the safety of the mill mutuals, and told the committee that he saw no harm in allowing them to enter New York so long as they are conducted on their present basis of efficiency.

Ex-Insurance Commissioner Barry, of Michigan, when asked what he thought of a supervision of rate making by the State, replied: "The State supervision of rates in my opinion is purely a political matter. I do not think such a body could fix rates equitably. They could not fix them scientifically." He favored compensating agents on a basis of profit accruing from the business obtained by them individually, not upon the volume of business done. The percentage basis tends to make agents cover hazardous risks. He thought it would be more equitable to make the coinsurance clause more elastic. allowing the insured to carry 40 to 80 per cent. of the risk, as he chose.

Mr. Kiernan, an Albany local agent, thought that a State board of review, to which dissatisfied policyholders could appeal, would be impracticable, because the State would have no trustworthy data upon which to form an opinion as to rates. A favorable experience in any one class could easily be upset by a single fire, and the average upon which rates could be based would as likely be too high as too low.

Meetings of Committees of the National Convention of Insurance Commissioners in New York This Week.

Meetings were held this week at the Manhattan Hotel, New York, by the executive committee and other committees of the National Convention of Insurance Commissioners. Among the commissioners and deputy commissioners present were President Joseph Button, of Virginia; W. H. Hotchkiss, of New York; Theodore H. Macdonald, of Connecticut; Frederick W. Potter, of Illinois; F. H. Hardison, of Massachusetts; M. O. Rowland, of Michigan; John A. Hartigan, of Minnesota; T. M. Henry, of Mississsippi; George H. Adams, of New Hampshire; J. R. Young, of North Carolina; C. C. Lemert, of Ohio; S. W. McCulloch, of Pennsylvania; F. H. McMaster, of South Carolina; George E. Beedle and Herman L. Ekern, of Wisconsin; E. C. Harrington, of Maryland; Felix Hebert, of Rhode Island; John S. Darst, of West Virginia; H. D. Appleton, of New York; Ivan Lang, of Maine; Professor Green, of Maryland, and Hammond, of Connecticut.

Ex-Commissioner Barry, of Michigan, was also present by invitation.

THE UNIFORM FRATERNAL BILL.

The committee on fraternal insurance was in session on Tuesday and held a conference with representatives of the fraternal orders. In the absence of Chairman Folk, the meeting was presided over by Commissioner Hartigan, of Massachusetts, who asked the fraternal officers to present their views on the proposed uniform bill for the regulation of the fraternal orders which was accepted at the commissioners' convention at Mobile in September for recommendation to State legislatures.

Mr. Piper, for the fraternal orders of both national organizations, said that they were well satisfied with the bill. It was the first time that they were able to get together on any measure of this kind, and they hoped for its adoption by all the legislatures.

Superintendent Hotchkiss said that the provision of the bill that the decision of the Superintendent of Insurance, as to winding up domestic orders and excluding those of other States from the State, could be reviewed by the courts, would not be accepted in New York. The law now conferred these duties on the superintendent absolutely in the interests of the policyholders, and his State could not adopt the bill with the objectionable provision included.

Commissioner McMaster, of South Carolina, stated that his

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State had a fraternal law only recently enacted which worked satisfactorily, both to the State and the fraternal orders, and that he did not feel like asking the Legislature to disturb it.

Commissioner Darst, of West Virginia; Superintendent Potter, of Illinois, and Deupty Commissioner Ekern, of Wisconsin, also raised objections to some features of the bill with which they thought that their States could not comply, but admitted they were not of a serious nature.

The bill, however, was generally approved by the commissioners present.

LIABILITY RESERVES.

The committee on reserves other than life had a conference on Wednesday with a special committee of the liability insurance companies, W. C. Moore, of the New Amsterdam Casualty, chairman, at which the proposed new law for computing liability loss reserves was discussed. The committee submitted the draft of a bill for general adoption, which met the approval of the committee. The following is the text of the proposed bill:

Sec. 1. Section 86 of Chapter 33 of the laws of 1909, entitled "An act in relation to insurance corporations, constituting Chapter 28 of the Consolidated Laws," is hereby amended to read as follows:

WHAT SHALL BE ALLOWED AS ASSETS; FIXING LIABILITY (INCLUDING LIABILITY LOSS RESERVE); IMPAIRMENT OF CAPITAL STOCK.

Sec. 86. (a) In estimating the condition of any life insurance corporation under the provisions of this chapter, or in any examination made by him, or by an examiner appointed by him, the superintendent shall allow as assets only such investments as are authorized by the laws of this State at the date of examination, and shall charge as liabilities, in addition to the capital stock, all outstanding indebtedness of the corporation, and the premium reserve on policies, and additions thereto in force, computed according to the table of mortality and rate of interest prescribed in this article. Any assets or securities lawfully held or acquired for the satisfaction, reduction or guarantee of any indebtedness to the corporation shall be allowed as assets at their just value in the judgment of the superintendent, but the total assets invested and otherwise of every domestic life insurance corporation shall be held to be accumulated for the exclusive benefit of policyholders, and no payment to stockholders shall be made therefrom until all obligations to policyholders and creditors have been fully provided for, including the reserve required by Section 84 of this chapter to be determined by the Superintendent of Insurance. Whenever it shall appear to the said superintendent from the statement of any life insurance corporation, made to the Insurance Department, or from an examination of the affairs of any such corporation, if a stock corporation, that its capital stock is impaired to the extent of 50 per centum thereof upon the basis of such reserve liability for policies and annuities in force as may be the standard used within this State at the time of ascertaining such impairment, it shall be the duty of said superintendent, if the corporation is organized under the laws of any other State or country, to revoke the certificate of authority issued to the agent or agents of such corporation, and cause a notice thereof to be published in the State paper for four weeks, and the agent or agents of such corporation are, after such notice, required to discontinue the issuing of any new policies. If the corporation so impaired is organized under the laws of this State, it shall be the duty of said superintendent to direct the officers thereof to require the stockholders to make good in cash the amount of such deficiency within ninety days after the date of his requisition. And upon the failure of the stockholders to make good such deficiency within the time specified in such requisition, the corporation shall then be subject to the provisions of Section 21 of this chapter; provided that any corporation organized under the laws of this State, whose capital is impaired as above 50 per centum, may by a vote of a majority of its directors at a meeting called for that purpose reduce its capital stock to an amount not less than $100,000, and the said directors are hereby empowered to issue new certificates of stock to the stockholders for the amount of the reduced capital, and require in return all certificates previously issued.

(b) In estimating the condition of any casualty insurance corporation under the provisions of this chapter the superintendent shall allow as assets only such investments as are authorized by the existing laws of this State at the date of its investigation, and shall charge as liabilities, in addition to the capital stock, all outstanding indebtedness of the corporation, and the premium reserve on policies in force, equal to the unearned portions of the gross premiums charged for covering the risks, computed on each respective risk from the date of the issuance of the policy.

*The indebtedness for outstanding losses under insurance against loss or damage resulting from accident to or injuries suffered by an employee or other person and for which the insured is liable, and under insurance against loss from liability on account of the death of or injury to an employee not caused by the negligence of the employer, shall be determined as follows: Each corporation which writes policies covering any of said kinds of insurance shall include in the annual statement required by Section 44 of this act a schedule of its experience thereunder, in the United States and foreign countries in the case of corporations organized in the United States, and in the United States only in the case of corporations organized outside of the United States, giving each calendar year's experience separately, and crediting or charging each item to the year in which the policy to which it relates was written, as follows: (1) The earned premiums on all such policies written during the period of ten years immediately preceding the date as of which the statement is made, being the gross premiums on all such policies, including excess and additional premiums and premiums in course of collection, less return premiums and premiums on canceled policies, and less the unearned premiums on policies in force as shown in such annual statement; (2) the amount of all payments of whatsoever nature made by reason or on account of injuries covered by such policies written during said period. This amount shall include medical and surgical attendance, payments to claimants, legal expenses, salaries and expenses of investigators, adjusters and field men, rents, stationery, telegraph and telephone charges, postage, salaries and expenses of office employees, home office expenses, and all other payments made on account of such injuries, whether such payments are allocated to specific claims or are unallocated; (3) the number of suits being defended at the date as of which the statement is made under policies written during said period, except suits in which liability is not dependent upon negligence of the insured, and a charge of $750 for such suit; (4) the number of deaths for which the insured are liable without proof of negligence, covered by policies written during said period, and not paid for at the dates as of which the statement is made and a charge of the amount necessary to pay for such deaths; (5) the number of unpaid claims at the date as of which the statement is made on account of non-fatal injuries for which the insured are liable without proof of negligence, covered by policies written during said period, and a charge equal to the present value of the estimated future payments; (6) the loss ratio determined from the foregoing as to each year separately, using as the divisor the earned premiums shown in item (1), and as the dividend the amount of payments shown in item (2), plus the amounts charged in items (3), (4) and (5); (7) the number of suits being defended at the date as of which the statement is made under policies written more than ten years prior to such date, except suits in which liability is not dependent upon negligence of the insured; (8) the number of deaths for which the insured are liable without proof of negligence, covered by policies written more than ten years prior to the date as of which the statement is made, and not paid for at such date; (9) the number of unpaid claims at the date as of which the statement is made on account of injuries for which the insured are liable without proof of negligence, covered by policies written more than ten years prior to such date.

All unallocated payments in item (2) made in a given calendar year subsequent to the first four years in which a corporation has been issuing such policies shall be distributed as follows: Thirty-five per centum shall be charged to the policies written in that year, forty per centum to the policies written in the preceding year, ten per centum to the policies written in the second year preceding, ten per centum to the policies written in the third year precedng, and five per centum to the policies written in the fourth year preceding, and such payments made in the first four calendar years in which a corporation has been issuing such policies shall be distributed as follows: In the first calendar year one hundred per centum shall be charged to the policies written in that year; in the second calendar year fifty per centum shall be charged to the policies written in that year and fifty per centum to the policies written in the preceding year; in the third calendar year forty per centum shall be charged to the policies written in that year, forty per centum to the policies written in the preceding year, and twenty per centum to the policies written in the second year preceding, and in the fourth calendar year thirty-five per centum shall be charged to the policies written in that year, forty per centum to the policies written in the preceding year, fifteen per centum to the policies written in

* New matter begins here.

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the second year preceding, and ten per centum to the policies written in the third year preceding, and a schedule showing such distribution shall be included in such annual statement.

Each such corporation shall be charged with indebtedness for outstanding losses upon such policies determined as follows: (10) for all suits being defended under policies written more than ten years prior to the date as of which the statement is made, except suits in which liability is not dependent upon negligence of the insured, $1,000 for each suit; (11) for all suits being defended under policies written more than five years and less than ten years prior to the date as of which the statement is made, except suits in which liability is not dependent upon negligence of the insured, $750 for each suit; (12) for all deaths for which the insured are liable without proof of negligence, covered by policies written more than five years prior to the date as of which the statement is made, the amount necessary to pay for such deaths; (13) for all unpaid claims on account of non-fatal injuries for which the insured are liable without proof of negligence under policies written more than five years prior to the date as of which the statement is made, the present value of the estimated future payments; (14) for the policies written in the five years immediately preceding the date as of which the statement is made an amount determined as follows: Multiply the earned premiums of each of such five years as shown in item (1) by the loss ratio ascertained as in item (6) on all the policies written in the first five years of the said ten year period, using as the divisor the sum of the earned premiums shown in item (1) for such first five years, and as the dividend the sum of the payments shown in item (2) for such first five years, plus the sum of the charges in items (3), (4) and (5) for such first five years, but the ratio to be used shall in no event be less than 50 per centum at and after December 31, 1911, nor less than 51 per centum at and after December 31, 1912, nor less than 52 per centum at and after December 31, 1913, nor less than 53 per centum at and after December 31, 1914, nor less than 54 per centum at and after December 31, 1915, nor less than 55 per centum at and after December 31, 1916, and from the amount so ascertained in each of the last five years of said ten year period deduct all payments made under policies written in the corresponding year as shown in item (2), and the remainder in the case of each year shall be deemed the indebtedness for that year; provided, however, that if the remainder in the case of any year of the first three years of the five years immediately preceding the date as of which the statement is made shall be less than the sum of the three following items for that year at that date—(a) the number of suits, except suits in which liability is not dependent upon negligence of the insured, being defended under policies written in that year and a charge of $750 for each suit; (b) the amount necessary to pay for all deaths for which the insured are liable without proof of negligence, covered by policies written in that year, and (c) the present value of estimated unpaid claims on account of non-fatal injuries for which the insured are liable without proof of such negligence, covered by policies written in that year—then the sum of said items (a), (b) and (c) shall be the indebtedness for that year.

A corporation which has been issuing such policies for a period of less than ten years shall nevertheless include in its annual statement a schedule as hereinbefore required for the years in which it shall have issued such policies, and shall be charged with an indebtedness determined in the same manner, but in determining the indebtedness for policies written in the five years immediately preceding the date of which the statement is made, the minimum ratio hereinbefore prescribed shall be used subject to the same deductions and provisions as in the case of corporations that have been issuing such policies for ten years or more.

The report of the committee submitting the bill was signed by W. F. Moore, chairman; F. W. Lawson, William Bro Smith, C. H. Franklin and Frank E. Law.

As many of the States allow the courts to make examinations of surety companies, a resolution was adopted by the committee to request such States to enact laws to discontinue such procedure and direct the courts to accept the reports of examinations made by the insurance departments, thus doing away with double examinations.

The committee on codification of the rulings of insurance departments, of which Commissioner McMaster, of South Carolina, is chairman, matured a plan to secure the rulings of all the departments.

EXECUTIVE COMMITTEE MEETINGS.

At a meeting of the executive committee a resolution was introduced by Superintendent Hotchkiss that a committee be appointed to call on the Secretary of the Treasury and ask him to withdraw his order of September 21, 1910, regarding "regulations applicable to surety companies doing business in the United States under the act of Congress approved August 13, 1894, as amended by the act of Congress of March 23, 1910," and accept the rulings of the State insurance department in reference thereto. It was stated that there is no Federal law authorizing any the rulings of the State insurance departments in reference theresuch action by the Treasury Department. The resolution was adopted and Messrs. Button, Macdonald and Hotchkiss were appointed to make the call.

The executive committee elected Commissioner James R. Young, of North Carolina, a member in place of James V. Barry, resigned.

Milwaukee having been selected at the Mobile convention as the place of the next annual meeting of the National Convention of Insurance Commissioners, the executive committee fixed the date as August 22, 23, 24 and 25, 1911.

Action was taken by the executive committee in the following report, in the matter of the declaration of a stockholders' dividend of $400,000 from surplus by the Union Central Life insurance company of Ohio. The committee said that this matter has been under consideration for upward of a year, the supervising departments believing that irrespective of the legality of the action it was "against good conscience, in that this company for a long period of years represented to the public that it was in fact a mutual company, and that all its earnings above running expenses and a 10 per cent. annual dividend on an original stock issue of $100,000 belonged to its policyholders. The facts are briefly summarized in the report which follows." Such report was adopted unanimously, one commissioner being excused from voting, and thus pursuant to the action of the convention of commissioners held at Mobile last September, becomes the action of the whole body.

The report is as follows:

To the Executive Committee of the National Convention of Insurance Commissioners:

NEW YORK, December 14, 1910.

The question of the right of the Union Central Life insurance company to declare a stock dividend is still before the courts of Ohio, and there is no chance that it will be decided for several months to come. The facts in the case, briefly told, seem to be as follows:

The directors of the company were notified by the Insurance Department of California that in order to continue in business in that State the capital of the company must be increased from $100,000 to not less than $200,000. This increase could have been made in either of two ways, namely, by the issue of stock for cash in either of two ways, namely, by the issue of stock for company's surplus; in other words, making a stock dividend. The latter method was chosen by the company, but the increase was not confined to the necessary $100,000 to enable it to continue to do business in California, but was fixed at $400,000. This had the effect of decreasing the surplus of the company by that amount, and to place upon the policyholders the burden of paying $40,000 per year in stockholders' dividends, as the bylaws of the company provide for at least 10 per cent. dividends annually.

The company claims that it had a right to do this, inasmuch as, in its view, which it had sustained to the satisfaction of the Circuit Court of Hamilton County, Ohio, this $400,000 was the profits of the non-participating business. But notwithstanding the opinion of the Ohio court, there are actuaries and investigators who do not agree that this opinion is justified by the facts in the case. They hold that, even if the $400,000 in question was derived wholly from the profits of the non-participating business of the company, there can be no justification in good morals for an act of the company which will place upon the participating policyholders, as it may, the additional burden of a $400,000 annual tax to go to the stockholders in dividends, in view of the fact that the company obtained its business under the representation that it is, in effect, a mutual company, and that all the profits go to the policyholders, save only 10 per cent. on the company's original capital stock. That the act can be justified legally, that is, that it can be made to appear that the profits of the non-participating business of the company may all be capitalized at 10 per cent., and the additional burden placed upon the policyholders of paying 10 per cent. per year upon it is a matter of

grave doubt. Carried to the extreme, all the profits of the business might be absorbed by the stockholders, and the representation of the company, continuously made and as late as 1906, namely, that the profits of the business are to go to the policyholders, be nothing but a bait to trap the unsuspecting.

The acts of the company, even if it had the original right to absorb the profits of the business, should estop it from the present exercise of that right. The policyholders ought to be protected in their rights under the conditions and inducements under which their policies were sold.

But whatever the Ohio courts may decide as a matter of law, in the realm of good morals and good conscience it does not seem to us that there can be any difference of opinion. It cannot be that it is open to a company to represent itself as purely mutual and obtain business on that basis, and then turn its back on those representations and proceed to divide among its stockholders the profits that had been promised to the policyholders. It is no answer to say that these stockholders were originally granted certain rights by the Legislature to transact business for profit. We may admit that contention that it was under no obligation at the outset to give the policyholders any part of the profits, yet, when it did enter the field, and in order to get business did make promises and representations to the public, it abandoned its right to make itself a stockholders' company for their profit only, and should be held to the consequence of the position then taken, just as any other business concern must be held to its agreements, even though not in the form of written contracts. The word must be as good as the bond.

In view of these things the committee is of the opinion that this controversy can best be settled, and should be settled, by the abandonment by the company of its purpose to benefit the stockholders by a stock issue capitalizing the profits of the company, whether or not the Ohio courts finally permit such capitalization, thus restoring the company to its former status in respect to capital.

If this be not done the committee can see no alternative but that each commissioner should act for the protection of the policyholders in his own State as his judgment dictates under the laws of such State.

We recommend that in each State there be enacted a law such as now exists in some of the States that no increase in the capital of an insurance corporation shall be made without the consent of the insurance department. This, in the judgment of the committee, would effectually prevent the diversion to stockholders of property that belongs to the policyholders.

FRANK A. HARDISON, Massachusetts,
JOHN A. HARTIGAN, Minnesota,
WILLIAM H. HOTCHKISS, New York,
JOHN R. YOUNG, North Carolina.
Committee.

It is not unlikely that in such States (like, for instance, New York and North Carolina) as do not now require the approval of the superintendent or commissioner of insurance to any increase in capital, laws so providing will be introduced in and urged for passage by the legislatures in 1911.

Association of Life Insurance Presidents.

In our issue of last Saturday the proceedings of the fourth annual meeting of the Association of Life Insurance Presidents, held on Friday and Saturday of last week, were reported to the time of going to press. The following is a report of the subsequent proceedings:

RESOLUTIONS ADOPTED.

The following resolutions offered by Haley Fiske, of the Metropolitan Life, as chairman of the committee on resolutions, were unanimously adopted by the association:

Resolved, That the association congratulates the general counsel and manager upon a very successful convention and express its appreciation of the great value and interesting character of the papers for which he arranged and of the convenience and comfort of the members and guests in attendance.

Resolved, That the association express its appreciation of the ability shown in the papers read at this convention, and its sincere gratitude to the authors for the time and care which were necessarily expended in their preparation, and for the courtesy and kindness of the writers in personally attending the convention to read them.

Resolved, That this association expresses its great interest in the suggestion made by Professor Adams in relation to taxation, and requests the executive committee to consider a plan by which the House of Governors or a group of Governors of prominent States may be persuaded to join in the appointment of a commission to consider and report to the various States upon the general subject of State taxation, with suggestions as to a general scheme embracing the taxation of the various forms of property and of corporations and businesses which is common to most of the States.

Whereas, The opportunity for the study of principles of life insurance from a vocational standpoint is not generally offered in the institutions of higher learning within the United States,

Resolved, That this association devote its energies toward the adoption by such institutions of suitable courses of study, either in the regular curriculum or in the elective courses or in the summer schools or post-graduate work, as will best prepare those men and women who may make the business of life insurance their life work; and,

Resolved, That the executive committee be instructed to invite the attention and consideration of the colleges and universities of this country to the advantages to be derived from the introduction of such courses of study as herein outlined.

Resolved, That the association adopt the report of the life extension committee and the general counsel and manager be instructed to carry out the recommendation of the committee, and co-operate to procure the establishment of a Federal department of health.

MRS. SHAAL ON PATHWAYS OF SUCCESS.

Mrs. Florence E. Shaal, manager of the women's department of the Equitable Life Assurance Society, read an instructive and entertaining paper on the pathways of success for women insurance agents. The following are extracts:

What are the qualifications that will make for woman's success in this business? First of all she must be a womanly woman, never for an instant forgetting the dignity due her womanhood, absolutely honest in all her dealings, and reliable in all her statements and representations. She must have a high ideal of her vocation, believe in it as a beneficent work, something nobler than a mere means of money getting. She must be loyal to the company she represents, considering its interests. She must be loyal to her policyholders and their needs. Must thoroughly understand the contracts she presents, and be able to explain them clearly and intelligently. She must have tact, a pleasing personality, and courage that will rise undaunted after every defeat; must be wide-awake, alert, quick to seize the psychological moment for decisive action, and with all this, she must have the capacity for persistent, systematic, hard work day after day.

All over the country women are making brilliant successes as life insurance agents, as incomes all the way from one to ten thousand a year will attest. They are college graduates, professional women, teachers, social leaders, and women of this sort. They are finding this a very attractive business because of the inducements it offers of greater freedom, the keen pleasure of meeting and convincing an opponent, and the mental growth and development that is the result of coming in contact with such varied personalities and with quick perception adapting one's self to their different views of life in general, and of life insurance in particular.

In my experience, the women who have been most successful are those who have had some special intellectual training, as teachers, club women, and business women. This leads me to the conclusion that in a few years only college women, or those who have had some mental training equivalent to it, will be accepted to represent our large insurance companies, and thus the time and energies of the managers will be conserved, by not having to train raw material which never produces results commensurate to the effort and expense put forth in their behalf.

I have said that women are peculiarly adapted to this work, and I would add that in many cases they will succeed where a man would fail. The home is woman's kingdom, and here what man can speak so convincingly of the need of protection for the loved ones in the home, of the necessity of making some provision for the old age that may come, or for the possible summons of the dark messenger who will surely come. Who but a woman can speak with such strong assurance to another woman of the absolute necessity of laying aside something for her own future in the form of a good endowment policy, while her income and her powers are at their best, that she may look forward to years of tranquil comfort when her income has ceased.

Woman is more emotional, more enthusiastic, more imaginative and more loyal than man. She has a higher standard of business honor and integrity, and I think I am not assuming too much when I say that the entrance of women into the

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insurance field has much to do with raising the standards of the business to a higher plane than formerly, so it is now regarded by the public as a dignified and honorable profession. I make these statements because during the eleven years that I have been manager of a woman's department, rebating and twisting have been utterly unknown, and my women have been most careful in their selection of risks, so that we have had very few rejections. They feel that the medical department must have a very poor opinion of their judgment in the selection of applicants when one is declined, which shows how conscientious women are in their work.

If I speak only from my own experience, it proves how profitable an employment this is for women when I say that the annual business written by my department for several years has been larger than the whole annual business in Massachusetts of ten different life insurance companies of the United States, not small ones either. And that other women all over the country are making splendid incomes is shown by the fact that in agencies where they are working side by side with men who have been years in the field, women have led in the amount of business produced during many months of the year.

I hope very soon to see a successful woman's department organized in every life insurance company represented here, and the day is not far distant I am sure when there will be a large army of intelligent women who have chosen this noble profession for their life work, so large an army, in fact, that it will require at the home offices women assistants and superintendents, and women vice presidents.

PROFESSOR JAMES ON VOCATIONAL TRAINING.

Prof. Edmund J. James, of the University of Illinois, spoke on "Vocational Training and Its Future." After a review of the development in colleges of the study of preparations for the professional and business vocations, he said of that of insurance:

We have here then to do with a very important department of social and business life—one of the characteristics of a learned profession.

The application of this principle has had a considerable and very interesting history, something worth studying on its own account as a part of the history of human life, of civilization, as a part of the development of social ideals and methods of meeting social difficulties. Another characteristic of a study which may well form an element in the training for a learned profession.

The application of this principle depends for its success upon a careful, underlying, scientific study of the phenomena in any particular department of human life to which it is proposed to apply this principle.

I found, I am sorry to say, considerable indifference manifested toward the whole subject. They were polite, but they thought this was some vagary of an academic man who had no practical sense, or rather perhaps we might say no sense for the practical actualities of life. He was a theorist with little to justify such views as to the advantages of training in insurance principles. They granted that a certain amount of actuarial study might be of advantage to an actuary, but that seemed to be the limit to which their ideas or thoughts could go.

Twenty-five years have come and gone. The attitude of the public in these matters is changing. I think it is not too much to say that if there had been twenty-five years ago a large body of educated men trained in the history, in the practice, in the study of insurance and insurance problems this country might have saved a thousand times what it would have cost to establish and develop a school which should be a centre for the study of these problems.

The country is continually bamboozled by rotten insurance schemes, because at bottom the number of men in the community who understand insurance, who have any conception of the real problems underlying it, is very small.

The public opinion upon the question, the public sentiment is undeveloped, uneducated, untrained, and we have not a sufficient number of trained men to leaven the whole. Certainly some of the revelations in the conduct of our great insurance enterprises have demonstrated amply enough not only that some men are dishonest and that some men are exploiting the public all the time, relying upon the ignorance of the public of underlying principles by which such business should be controlled; but some of the most successful men, viewed from one point of view, are building up large business upon unsound principles—principles whose violation in the long run is bound to make for loss and injury, not only to the people who pay the bills but the nation as a whole, and even to the men who are conducting the business itself.

I believe for my part, gentlemen, that our universities ought to make far more ample provision for the scientfic study of insurance in a large way, and I believe that you would find it to your advantage to encourage the development of this study in our greater universities; and when it is developed adequately you would find it to your advantage to select your employees very largely from the men who had begun their preparation for this business there. It means and has meant in the past and may mean in the future for the welfare of our common society.

An invitation was received from Insurance Commissioner Folk, of Tennessee, to hold the 1911 meeting of the association in Chattanooga. A letter from Insurance Commissioner Henry, of Mississippi, urged the Association to accept Mr. Folk's invitation. The invitation was referred to the executive committee.

Gail E. Johnson, vice president of the Pacific Mutual insurance company of Los Angeles, Cal., extended an invitation to the association to meet in San Francisco in 1915, at the time of the proposed exposition in the latter city. This invitation also was referred to the executive committee.

ELECTIONS.

At the executive session of the Association of Life Insurance Presidents, held immediately after the public session Friday afternoon, Robert Lynn Cox, of New York, was re-elected general counsel and manager for the ensuing year.

The following executive committee was elected:

Jesse R. Clark, president Union Central Life insurance company.

John F. Dryden, president Prudential insurance company.

S. C. Dunham, president Travelers Life insurance company.

Haley Fiske, vice president Metropolitan Life insurance company.

Alfred D. Foster, president New England Mutual Life insurance company.

L. G. Fouse, president Fidelity Mutual Life insurance company.

George E. Ide, president Home Life insurance company.

Paul Morton, president Equitable Life Assurance Society.

Charles A. Peabody, president Mutual Life insurance company.

Robert Lynn Cox, New York.

REPRESENTATIVES OF THE INSURANCE BUSINESS PRESENT.

The following persons connected with life insurance in various capacities were present at the two days' meeting:

Frederick Apps, president Michigan State Life, Detroit; T. W. Appleby, secretary and actuary Federal Life, Chicago; T. S. Adams, Ph. D., Washington University, St. Louis, Mo.; Henry Abels, secretary Franklin Life, Springfield, Ill.; S. H. Axtell, solicitor Mutual Benefit Life at Chicago; L. A. Anderson, actuary Wisconsin Insurance Department; Edward P. Ames, correspondent of the *Spectator* of New York; C. A. Atkinson, vice president and general counsel Federal Life, Cchicago; O. J. Arnold, secretary and actuary Illinois Life, Chicago.

G. H. Bresee, superintendent of agents American Bankers Life, Chicago; Edwin M. Brown, vice president Central States Life, Crawfordsville, Ind.; William Marshall Bullitt, attorney, Louisville, Ky.; B. T. Byers, counsel American Central Life, Indianapolis; H. H. Bell, field superintendent Columbian National Life, Chicago; S. B. Bradford, secretary and treasurer Central Life of Illinois, Ottawa, Ill.; H. J. Busing, Illinois Life, Chicago; F. A. Benley, agent Travelers, Chicago; R. D. Bokum, of the Mutual Benefit Life at Chicago; C. H. Beckett, Purdue University, La-Fayette, Ind.; J. T. Baxter, vice president and counsel Northwestern National Life, Minneapolis; J. T. Burford, special agent Pacific Mutual Life, Chicago; Imogene Burnham, secretary women's department Equitable Life of New York at Boston; Tarleton Brown, editor *Western Insurance Review*, St. Louis; George W. Beardsley, secretary Forest City Life, Rockford; J. E. Brady, vice president and general manager Modern Life, South

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Bend, Ind.; Chalmers Brown, president Reserve Loan Life, Indianapolis; W. C. Baldwin, president Pittsburg Life and Trust; P. J. Bourscheidt, president Marquette Life, Peoria, Ill.; J. F. Bishop, manager Chicago, Marquette Life, Chicago; Ogden Brown, assistant manager *Insurance Leader*, St. Louis.

Frederick H. Calkins, general counsel Fidelity Mutual Life, Philadelphia; H. F. Condict, cashier Mutual Life, New York; R. W. Cooper, Illinois Life, Chicago; William S. Crawford, associate editor *Western Underwriter*, Chicago; J. R. Clark, president Union Central Life, Cincinnati; A. E. Childs, president Columbian National Life, Boston; J. B. Chaddock, president Detroit Life; E. B. Craig, vice president Volunteer State Life, Chattanooga; Max Cohen, editor *Views*, Washington, D. C.; J. C. Cummins, secretary Equitable Life of Iowa, Des Moines; C. M. Cartwright, managing editor *Western Underwriter*, Chicago; W. B. Carlisle, manager Mutual Life of New York at Chicago.

Sylvester C. Dunham, president Travelers, Hartford; Frederick A. Draper, actuary, Chicago; W. W. Dark, vice president American Central Life, Indianapolis; G. A. Deitch, general counsel Reserve Lone Life, Indianapolis; H. F. Dale, manager Union Mutual Life, Chicago; W. F. Dix, secretary Mutual Life of New York.

J. I. English, vice president Ætna Life, Hartford; T. V. Engstrom, president Forest City Life, Rockford; T. J. Owens, secretary Meridian Life, Indianapolis; H. G. Everett, secretary Central Life, Des Moines, Ia.; J. M. Emery, actuary Des Moines Life, Iowa; Dr. W. A. Evans, health commissioner, Chicago; John M. Ekelin, superintendent of agencies Northern Life of Illinois.

G. L. Foster, superintendent Metropolitan Life, Chicago; W. J. Fischer, general agent Northwestern Mutual Life, St. Louis; S. M. Foster, president Lincoln National Life, Ft. Wayne, Ind.; E. L. Fisk, medical director Provident Savings Life, New York; W. A. Fricke, vice president and general manager Great Northern Life, Wausau, Wis.; A. J. Flitcraft, editor *Life Insurance Courant*, Oak Park, Ill.; R. F. Fry, president Old Line Life of America, Milwaukee; C. W. Farnham, special counsel Minnesota Insurance Department; James A. Field, assistant professor of political economy University of Chicago; Haley Fiske, vice president Metropolitan Life, New York; A. E. Forrest, vice president North American Accident, Chicago.

L. Goldman, managing director North American Life, Toronto, Canada; J. M. Graves, agent Mutual Benefit Life at Chicago; Bernard Goldsmith, agent Home life insurance of New York at Chicago; P. D. Gold, Jr., vice president and general manager Jefferson Standard Life, Raleigh, N. C.; W. H. Gould, secretary and actuary Volunteer State Life, Chattanooga; Howard Geldert, associate manager *Western Underwriter*, Chicago; J. K. Gore, actuary Prudential, Newark; George Graham, Jr., actuary Illinois Insurance Department, Springfield; J. W. Glover, professor mathematics and insurance University of Michigan; D. I. Gorman, superintendent of agents Mutual Life of New York at Chicago; Jules Girardin, president Life Underwriters' Association, manager Phœnix Mutual Life at Chicago.

R. H. Hobart, Chicago manager Northwestern Mutual Life, Chicago: H. D. Hinman, general counsel Security Mutual Life, Binghamton, N. Y.; Thomas Hilliard, president Dominion Life, Waterloo, Ont.; George Hoffman, manager Northwestern National Life at Chicago; A. G. Hall, editor of the *Surveyor*, New York; John A. Hartigan, Commissioner of Insurance of Minnesota; H. S. Hull, vice president Northern Assurance Company, Detroit, Mich.; A. F. Hall, secretary and manager Lincoln National Life, Fort Wayne, Ind.; J. O. Humphrey, vice president Franklin Life, Springfield, Ill.; Roy A. Hunt, assistant secretary *Insurance Field*, Chicago; I. S. Hoffman, first vice president and general manager Ohio State Life, Columbus, Ohio; E. J. Heppenheimer, president Colonial Life, Jersey City, N. J.; Dr. Whitfield Harral, medical director Southwestern Life, Dallas, Tex.

George E. Ide, president Home Life, New York; C. P. Iler, vice president Indemnity Life, Minneapolis, Ind.

F. E. Janes, special agent New England Mutual Life at Chicago; Edmund J. James, president University of Illinois; A. J. Jacobson, of the New York Life at Chicago; William C. Johnson, vice president and manager Columbian National Life, Boston; F. W. Jenkins, president Security Mutual Life, Binghamton, N. Y.; Arthur Jones, vice president Michigan State Life, Detroit, Mich.; C. V. Jewell, agent Travelers at Chicago; Arthur Jordan, president Meridian Life, Indianapolis; J. J. Jackson, general manager Ætna Life at Cleveland, Ohio; Charles A. Jenney, publisher WEEKLY UNDERWRITER, New York; G. B. Johnson, vice president and treasurer Pacific Life, Los Angeles, Cal.

G. I. S. Klingbeil, president German-American Lite, Omaha; George Kuhns, general field manager Bankers Life, Des Moines, Ia.; H. B. Knowlton, manager for Illinois Travelers of Hartford; A. S. Knight, medical director Metropolitan Life, New York; P. J. Kraus, superintendent Metropolitan Life at Chicago.

Milas Lasater, Insurance Commissioner State of Oklahoma; G. F. Lust, manager Illinois branch Des Moines Life; E. S. Lewis, president St. Louis National Life; R. B. Law, secretary National Life of the U. S. A., Chicago; George B. Lyons, Federal Life, Chicago; L. C. Laylin, president Ohio State Life, Columbus, Ohio.

Jesse B. Moler, general manager Aegis Life, Denver, Col.; T. M. Mordecai, counsel, Charleston, S. C.; F. B. Mead, actuary and secretary Michigan State Life, Detroit, Mich.; P. J. V. McKian, editor the *Argus*, Chicago, Ill.; Frank P. Manly, vice president Indianapolis Life; Henry Moir, associate actuary Home Life, New York; D. W. Mulvane, president Bankers Savings National Life, Topeka, Kan.; F. H. Merrill, field agent Mutual Life, Chicago; J. P. Mahoney, associate counsel Federal Life, Chicago; J. A. McKellar, second vice president Des Moines Life; W. W. Mack, associate editor *Insurance Field*, Chicago; F. E. McMullen, second vice president and superintendent of agencies, Provident Savings Life, New York; F. F. McElhinney, president Iowa Life, Waterloo, Ia.; William R. McBurney, associate editor *Insurance Post*, Chicago; T. T. McCormick, agent Mutual Life of New York at Chicago; H. C. Martin, editor of *Rough Notes*, Indianapolis; I. J. Muma, manager life and accident department Travelers at Chicago.

J. H. Nitchie, actuary, Chicago, Ill.; John H. Nolan, general agent Travelers, Chicago; John Nevin, medical director Colonial Life, Jersey City, N. J.

John J. Oliver, editor of the *Indicator*, Detroit, Mich.; M. E. O'Brien, general agent Northwestern Mutual Life; J. F. Oates, assistant manager Northwestern Mutual Life at Chicago.

W. H. Price, Deputy Commissioner Wisconsin Bureau of Statistics, Milwaukee; Dr. Wm. E. Porter, medical director Mutual Life of New York; Z. C. Patten, president Volunteer State Life. Chattanooga; Napoleon Picard, agent of the Travelers at Chicago; Willis Palmer, president Commonwealth Life, Chicago; H. J. Powell, manager Equitable Life, Louisville, Ky.; Charles A. Peabody, president Mutual Life, New York; Robert F. Palmer, general agent Berkshire Life, Chicago, Ill.; F. W. Porter, agent Travelers, Chicago.

W. W. Quinlan, medical referee Mutual Life of New York at Chicago; C. C. Quinlan, general manager Detroit Life.

B. F. Reinmund, secretary Midland and Mutual Life, Columbus, Ohio; E. E. Rittenhouse, president Provident Savings Life, New York; Fred G. Rapp, manager Security Mutual Life of New York, Columbia, Ill.; L. T. Rogerson, secretary Life insurance Company of Virginia; J. B. Reynolds, president Kansas City Life, Kansas City, Mo.; Mrs. L. C. Rawson, vice president

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Des Moines Life of Iowa; B. H. Robison, president Bankers Reserve Life, Omaha; Frank L. Rexford, Illinois Life, Chicago; Henry Reeves, vice president and general manager German-American, Philadelphia, Pa.; E. W. Randall, president Minnesota Mutual, St. Paul.

E. A. H. Stevenson, business manager *Insurance World,* Pittsburgh; B. O. Smith, Commonwealth Life, Chicago; R. H. Sabin, agency actuary Mutual Benefit Life, Chicago; Dr. R. C. Sloan, solicitor Mutual Benefit Life, Chicago; James W. Stevens, president Illinois Life, Chicago; G. H. Stinson, agent Travelers, Chicago; Joseph Stout, president South Bend Life, South Bend, Ind.; E. C. Spinney, president Union Life, Chicago; G. B. Stadden, vice president Franklin Life, Springfield, Ill.; J. P. Stake, manager of agencies Preferred Life, Grand Rapids, Mich.; C. J. Schutz, Illinois Life, Chicago; W. T. Smith, secretary United States Annuity and Life, Chicago; Casper Schenk, general counsel Des Moines Life; A. B. Saltzstein, general agent New England Mutual Life, Milwaukee, Wis.; C. W. Spicer, president American Bankers Life, Chicago; A. D. J. Smith, president Spectator Company, New York; George A. Somerville, general manager Manufacturers Life, Toronto; H. A. Salzer, president United States Annuity and Life, La Crosse, Wis.; J. E. Sutton, Travelers, Chicago; Edgar S. Scott, president Franklin Life. Springfield, Ill.; H. A. Salzer, president United States Annuity and Life, Chicago; W. C. Scheide, manager United States department Prussian Life, New York; Mrs. Florence E. Shaal, manager women's department Equitable Life, Boston, Mass.

Hope Thompson, president and general counsel Northern Life of Illinois, Rock Island, Ill.; L. K. Thompson, president Northwestern National Life, Minneapolis; C. T. Tuck, manager agency department Meridian Life, Indianapolis, Ind.; W. B. Tscharner, director United States Annuity and Life, La Crosse, Wis.; William J. Tully, general solicitor Metropolitan Life; J. H. Theobald, special representative Mutual Life of New York, Chicago.

A. I. Vorys, attorney, Columbus, Ohio; G. W. Van Fleet, president Peoria Life, Peoria, Ill.; H. E. Vinberg, actuary and secretary American Bankers, Chicago.

E. A. Woods, general agent Equitable Life, Pittsburgh; T. R. Weddell, insurance editor *Record-Herald,* Chicago; Dr. F. C. Wells, medical director Equitable Life, New York; R. O. Wagner, secretary Bankers Reserve Life, Omaha; W. C. Wilson, president Bankers Life, Lincoln, Neb.; Franklin Wyman, general agent Berkshire Life at Chicago; A. B. Warner, vice president Forest City Life, Rockford, Ill.; George T. Wilson, second vice president Equitable Life, New York; Wilson Williams, general field agent Security Mutual Life, Binghamton, N. Y.; Dr. Cressy L. Wilbur, statistician Bureau of the Census, Washington, D. C.; Massey Wilson, president International Life, St. Louis, Mo.; W. A. Watts, secretary and general manager Preferred Life, Grand Rapids, Mich.; Wilbur Wynant, president Toledo Life, Toledo, Ohio; Joseph Westenberger, special agent Union Mutual Life, Chicago, Ill.; N. J. Westerhold, manager liability department Travelers, Chicago; A. V. Weil, manager Fidelity Mutual Life of Philadelphia at Chicago; A. D. Warner, vice president Forest City Life, Rockford, Ill.; W. F. Weese, vcie president Central Life of Illinois, Ottawa, Ill.

W. R. Zulich, vice president Reserve Loan Life, Indianapolis.

THE ORIGINAL

Bankers Life Association

DES MOINES, IOWA

Assets, - - $16,300,000.00

Federal Life Insurance Co.

ISAAC MILLER HAMILTON, President

CHICAGO

Capital, Surplus and Reserves - $2,500,000
Insurance - - - - - - - - 17,000,000

Did you see the results on our matured ten year Endowments?

POLICIES WHICH SELL. PROFITABLE CONTRACTS FOR AGENTS. DESIRABLE AVAILABLE TERRITORY. WILL ENTER NEW TERRITORY.

Write us your ambitions—we may help you realize them.

We need a good man in Ohio, another in Michigan

BRITISH AMERICA ASSURANCE CO., INCORPORATED 1833.

Head Office: TORONTO, CANADA.

UNITED STATES BRANCH.

JANUARY 1, 1910

Assets $1,556,740.94
Liabilities 902,438.61

Net Surplus $654,302.33

HON. GEO. A. COX, President. W. R. BROCK and JOHN HOSKIN, K.C., LL.D. } Vice Presidents.

W. B. MEIKLE, General Manager.

Equitable Accident Company

161 DEVONSHIRE STREET, BOSTON, MASS.

"THE COMPANY THAT WORKS WITH YOU"

CAPITAL, - - - - - - - - - - $100,000.00
SURPLUS TO POLICYHOLDERS, - 182,372.07

Accident and Health Insurance
Commercial and Industrial Departments
Attractive Policy Forms—Liberal Commissions

WM. H. JONES, General Manager

QUEEN

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New York.

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Are you familiar enough with the new Liability Laws to advise and protect your clients' interests? We will gladly send any information on request.

The Philadelphia Casualty Company

WALTER LE MAR TALBOT, President

Personal Accident, Health, Liability, Automobile, Plate Glass and Credit Insurance.

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It Pays to Answer Advertisements:

Provided you read them for information and not pastime. It will pay you to investigate this one.

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RUPERT F. FRY, President

The Columbian National Life Insurance Co. of Boston, Mass.

LIFE, ACCIDENT AND HEALTH INSURANCE

The Only Massachusetts Non-participating Company.

The New Columbian Policies are Unexcelled in Clearness and Liberality. Good Contracts and Territory for Good Producers.

ARTHUR E. CHILDS, President

COMMERCIAL UNION ASSURANCE CO.

LIMITED,

OF LONDON.

OFFICE:

Cor. Pine & William Sts., New York.

"STRONG AS THE STRONGEST"

THE NORTHERN ASSURANCE CO.

(Ltd. of London)

ORGANIZED 1836 ENTERED UNITED STATES 1876

Losses Paid $83,000,000
Losses Paid in the United States $27,000,000

EASTERN AND SOUTHERN DEPARTMENTS,
Company's Building, 38 Pine Street,
New York

Net Surplus and Capital, $486,413
Income 1909, . . . 1,146,723

WILL AID GOOD MEN IN ESTABLISHING AGENCIES
Best Policies, Largest Commissions or Profit Sharing Contract

NORTH AMERICAN ACCIDENT INS. CO.
A. E. FORREST, Vice-Pres. & Sec'y, Chicago

THE HOME LIFE INSURANCE COMPANY

OF AMERICA. Inc. 1899

JOHN LANGHAM, Jr., President JOSEPH L. DURKIN, Secretary
EDWARD P. MADDEN, Treasurer

General Agents and District Managers

who can produce Ordinary Business can secure "GROUND-FLOOR" contracts with GUARANTEED RENEWALS and an assignment of territory limited only by capacity to produce AGENCY ORGANIZATION and Business. Send for Sample Policy. *It is one you can sell.*

New Business, $1,500,000, January-June, 1910.

Address GEO. M. NETTLESHIP, General Manager
Executive Offices, 416-18-20 Walnut St., Philadelphia, Pa.

PHOENIX

ASSURANCE COMPANY, LIMITED, OF LONDON

(ESTABLISHED 1782)

LOSSES PAID, OVER - - - $200,000,000

HEAD OFFICE FOR THE UNITED STATES
47 CEDAR STREET, NEW YORK CITY

A. D. IRVING, JR., SECRETARY — LOUIS P. BAYARD, PERCIVAL BERESFORD } JOINT MANAGERS

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Today If Possible
To See What

HARTFORD LIFE

Will Do For You
ALL FORMS OF POLICIES
Hartford, Conn.

1825. THE 1910.

Pennsylvania Fire Insurance Company

OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,349,097.67
Surplus	2,233,426.43
Total January 1, 1910	$7,332,524.10

R. DALE BENSON, Pres. W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

INCORPORATED 1851.

Berkshire Life Insurance Company

OF PITTSFIELD, MASS.

All Policies issued by the Company are subject to the Massachusetts Non-Forfeiture Law.

JAMES W. HULL, President.
W. D. WYMAN, Vice-Pres. and Treasurer. J. M. LEE, Actuary.
THEO. L. ALLEN, Sec. ROBT. H. DAVENPORT, Asst. Sec.
Agencies in all the principal cities of the United States.

THE

Good Contracts for Good Men.

ROLAND O. LAMB, President.
Robert K. Eaton, Superintendent of Agencies.
Walton L. Crocker, Secretary.

WILLIAM N. COMPTON, General Agent, St. Paul Building, New York

North British & Mercantile

INSURANCE COMPANY,

OF LONDON AND EDINBURGH.

Established 1809.

OFFICE:

76 WILLIAM STREET,
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That means the best life insurance to have and the best to sell. If you can sell life insurance, you can sell more of it for the CONNECTICUT MUTUAL.

Men of character and ability are invited to apply.

CONNECTICUT MUTUAL LIFE INS. CO., Hartford, Conn.

Please mention this paper

1860 50TH YEAR 1910

HOME LIFE INSURANCE COMPANY

OF NEW YORK.

GEORGE E. IDE, President

ASSETS, $23,626,018.63 LIABILITIES, $21,858,691.52 (Including Deferred Dividend Fund)

Dividend-Endowment Fund (Deferred Dividends)	$2,119,044.00
Net Surplus	1,767,327.11
Insurance in Force	92,532,583.00

The Record for 1909 shows the following GAINS:

Insurance in Force	$4,164,239.00
Assets	1,917,117.00
Deferred Dividend Reserve	148,581.00
Contingency Reserve (Surplus)	655,149.17

OLDEST IN AMERICA STRONGEST IN THE WORLD

The Mutual Life

Insurance Company of New York

Mutual Life Agents Make Most Money Because Mutual Life Policies Sell Most Freely

For terms to producing agents address:

GEORGE T. DEXTER, 2d Vice-President,

34 Nassau Street, New York, N. Y.

[FIRE]

German American

Insurance Company

New York

STATEMENT JANUARY 1, 1910

CAPITAL

$1,500,000

RESERVE FOR ALL OTHER LIABILITIES

8,222,018

NET SURPLUS

6,440,211

ASSETS

16,162,229

GERMANIA

FIRE INSURANCE COMPANY

Organized 1859 NEW YORK

Cash Capital	$1,000,000.00
Assets	$6,568,339.14
Net Surplus	$2,008,419.02
Surplus for Policy Holders	$2,008,419.02

HEAD OFFICE: Cor. William and Cedar Streets

The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1910	$3,470,509.30
Total Liabilities, except Capital	1,920,837.24
Capital	500,000.00
Surplus to Policyholders	1,549,672.06

F. F. BUELL, Special Agent, Troy, N. Y.

Provident Life and Trust Co.

OF PHILADELPHIA.

The Provident has been particularly distinguished for the development of a highly trained force of agents. The systematic instruction which its agents receive has resulted in their being recognized as representatives of exceptional knowledge of the business and of marked efficiency.

Insurance Company of North America

FOUNDED 1792

232 Walnut Street, Philadelphia

Assets, January 1, 1909 ..... $12,014,062.63

LIABILITIES—Reserved for Reinsurance and all other claims	$7,263,156.97	
Capital Stock	3,000,000.00	
Surplus over all Liabilities	1,750,905.66	$12,014,062.63

Agents in all the principal towns and cities.

EUGENE L. ELLISON, President.

T. HOUARD WRIGHT, Secretary. HENRY W. FARNUM, Assistant Secretary.

BENJAMIN RUSH, Second Vice President. JOHN O. PLATT, Assistant Secretary.

Surplus to policyholders, $4,750,905.66.

Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

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A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS is unsurpassed for net low cost and care of interests of all members.

The Penn Mutual Life Insurance Company
OF PHILADELPHIA

On January 1, 1909, rates were reduced and values increased to full 3 per cent. reserve.

National Life Insurance Company
of the United States of America

ALBERT M. JOHNSON, President

More than $9,750,000.00 in Assets
Excess Security to Policyholders, $1,300,000.00

Chicago's Oldest and Strongest Company

OUR NEW POLICIES ARE WORLD BEATERS
LOW RATES AND HIGHEST VALUES

You Lose Money When You Neglect Your Chance to Sell Them

WRITE TO

Robert D. Lay, Secretary, 159 La Salle Street, Chicago.

HANOVER
Fire Insurance Company
OF NEW YORK.

Agencies in all the Principal Places in the United States.

Western Assurance Company
HEAD OFFICE: TORONTO, CANADA.
INCORPORATED 1851.

Hon. GEO. A. COX, President.
W. R. BROCK and JOHN HOSKIN, K. C., LL. D., Vice Presidents.
W. B. MEIKLE, General Manager.

UNITED STATES STATEMENT, JANUARY, 1910.

Assets	$2,377,308.57
Surplus in United States	839,268.07

"The Leading Fire Insurance Company of America."

Incorporated 1819. Charter Perpetual.

Cash Capital	$4,000,000.00
Cash Assets	18,062,110.33
Total Liabilities	7,999,405.99
Net Surplus	6,062,704.34
Surplus as to Policyholders	10,062,704.34
Losses Paid in 91 Years	119,451,567.10

WM. B. CLARK, President.
W. H. KING, Vice President.
HENRY E. REES, Secretary.

A. N. WILLIAMS, E. J. SLOAN, E. S. ALLEN, GUY E. BEARDSLEY, W. F. WHITTELSEY, JR., "Marine," } Assistant Secretaries.

WESTERN BRANCH, Chicago, Ill.
THOS. E. GALLAGHER, Gen. Agt.
L. O. KOHTZ, Asst. Gen. Agt.
J. S. GADSDEN, Gen. Agt. "Marine."

NORTHWESTERN BRANCH, Omaha, Neb.
WM. H. WYMAN, Gen. Agent. W. P. HARFORD, Ass't Gen. Agent.

PACIFIC BRANCH, 514 California St., San Francisco, Cal.
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A. G. SANDERSON, Asst. Gen. Agt.

INLAND MARINE DEPARTMENT.
CHICAGO, 159 La Salle St. NEW YORK, 95 and 97 William St.
BOSTON, 70 Kilby St. PHILADELPHIA, 226 Walnut St.

THE LEADING FIRE COMPANY OF THE WORLD

[of Liverpool, England.]

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The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

THE week has been full of interest and value to the investigators, for they are realizing their desire to hear from the leading representatives of fire underwriting in New York, and Messrs. Lock, Evans, Beddall and Buswell, among others, have been before them. They get the highest expert information from such men, and they could not form a trustworthy judgment upon fire insurance conditions without it. They need hardly be admonished that caution may be used regarding statements made by witnesses, more or less at variance with the companies, about recklessness or "gambling" by insurers in the Manhattan districts in which great values are concentrated. There are always venturesome companies, but the greater companies trading in New York—those which cover the bulk of the business—know it too well to take inconsiderate chances, and can tell just where every dollar of risk is located and limited within reasonable bounds of safety.

MEMBERS of the Legislative Investigating Committee could study with great advantage the paper which we print on the methods and rationale of fire insurance rating in large cities which was read at Harvard University this week by Mr. Henry E. Hess. They would obtain an understanding of the natural complexity of the system which it has been suggested to them should be given to a State-made rating board to control. The manner of devising rates in the city of New York has been the development of a century, and particularly since the conditions which existed at the close of the Civil War, when modern forms were ushered in. Mr. Hess graphically describes the changes which have been going on since 1865, in speaking of them as changes "in methods, materials and customs, resulting in rows of buildings where previously had stood detached or semi-detached structures; business blocks having tenancies on each floor; factories furnishing power and space to all sorts of occupants, and a constant succession of new inventions and processes. On every side, rush, haste and waste striving to keep pace with the rapid development of the country." During this expansion rating of risks has been in process of adjustment to the changes, until today the average of classes used by companies in this city is 244, divided into the five groups: "Non-hazardous," "mercantile," "manufacturing specials," "automatic sprinklered" and "non-manufacturing specials." The largeness and intricacy of the rating system will be comprehended by this statement. Mr. Hess is not satisfied wholly with the system as it stands, and makes observations as to its simplification which underwriters will read with interest.

THE recent appearance of Mr. Brandeis in the railroad arena, with a proposition to save the railroad companies some hundreds of millions of dollars annually in running expenses, which apparently has impressed neither the railroad magnates nor the public beyond a gasp of astonishment, reminds the insurance world that he was the author of the great savings bank scheme of life insurance, which was to eliminate agents and reduce the cost of insurance to a bagatelle. This in turn calls attention to the reports of the two savings banks in Massachusetts of their transactions during the past year, which have just been filed. The scheme is now in the third year of trial in its parent State, only two of one hundred and eighty-nine banks venturing upon the experiment, and these are the 1910 results: The Whitman Savings Bank received $28,886 in premiums, and paid $11,281 to policyholders, of which $3,122 was for death claims, It had 1,822 policies in force. The People's Bank of Brockton took in $27,249 in premiums and disbursed $7,390, of which $500 was in death claims. There were 1,496 policies in force. The business had increased over the previous year, but it is such a meagre showing at best that it demonstrates the utter hopelessness of the theory of Reformer Brandeis that the people will run to the savings banks to be insured on the mere invitation to do so. The entire insurance business of the two savings banks after three years' striving does not equal that of an ordinary city agency of a moderate sized regular insurance company having solicitors in the field. It is proposed every year in the New York and New Jersey legislatures to introduce the savings bank life insurance scheme in these States, and doubtless it will appear again in January. Meanwhile, the savings banks, like the railroads, are not bothering about the man with "wheels in his head."

THE Ætna Life insurance company has performed a service in directing the attention of liability insurers to the new employers' liability law of Oregon by publishing for circulation a brief on the effects of the law and the text of the law itself. It was adopted by popular vote under the "initiative" system at the November election, and it is a matter for surprise that it was not opposed with vigor by the employers of labor, for it places them in an almost defenseless position before their employees. In short it goes beyond any State law yet enacted or proposed for enforcing compensation for workmen for injuries received while in service, and it seriously raises the question whether a liability insurance company can

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safely transact business in Oregon. Among its salient features are the declaration that the employer shall do certain things, some of which are impossible, and many impracticable, to safeguard employees—violation of which leaves him practically without defense; that it takes a large number of fellow servants from that class and makes them agents for whom the employer is responsible; that it leaves no liability to be assumed by an employee, and abolishes the employers' defense of "contributory negligence" altogether, and that it removes the limitation as to the amount of recovery for death, giving a jury full swing to stick an employer for any unreasonable amount. Besides, by another law adopted at the same time as this one, nine jurors out of twelve may lawfully find a verdict. It may fairly be estimated that the cost of industrial accidents to the employers, under the new law, will be increased two hundred per cent. In addition to the question, whether it will be prudent for liability companies to do business in Oregon, is that of contagion. The disposition of legislatures to go to extremes in fixing the liability of employers is marked, and a law so drastic as that which the people of Oregon have adopted may seem an excellent model for imitation. There is great value in this forewarning by the Ætna Life's publication.

Facts and Opinions.

The report of an examination of the **Home insurance company of New York** as of July 31 last, made by the New York State Insurance Department, was filed on Tuesday, and shows that our largest fire insurance corporation is in an exceedingly strong condition. The report states that the admitted assets are $28,572,264.89; total liabilities, except capital, $12,885,209.55; capital, $3,000,000; special reserve fund, $1,500,000; guaranty surplus fund, $1,500,000, and surplus in addition of $[illegible],918,230.86, making a surplus to policyholders of $15,918,[illegible]6. The statement shows gross assets of $28,803,530.41, of which $231,265.52 is deducted as not admitted, leaving total admitted assets of $28,572,264.89. The liabilities consist of total unearned premiums of $11,110,264.33; amounts due for reinsurance, $377,541.30; due for return premiums, $3,471.91; taxes on premiums accrued, estimated, $163,000; Federal tax accrued, estimated, $5,700; sundry unpaid bills, $67,996.49; unpaid fire and marine losses, $1,156,725.90. In commenting on the financial statement the examiners state that it is the result of a careful examination of each item of assets and liabilities and the inspection of the books and records at the home office, as well as at the office of the Western farm department. The company transacts business in Canada, Mexico and Cuba, in addition to practically every State and Territory of the United States, with a net premium income of over $11,000,000. It is represented by about 8,000 regular agents, reporting in detail to and under the direct supervision of the home office. In addition to this agency force there are about 800 agents writing farm risks only, reporting to and under the direct supervision of the Western farm department in the city of Chicago.

A book of particular value to department examiners of insurance companies and to company auditors, accountants and officials, and one that is unique in character because the like has never before been written, is **"The Examination of Insurance Companies,"** by S. H. Wolfe, the consulting actuary. Mr. Wolfe, who has had charge of a large number of official examinations for State insurance departments in the past ten years, has been accustomed to talk with his office staff on the various phases of their duties in connection with these examinations, and has been prevailed upon by the New York Civil Service Commission to put his observations in form for general use. The result is a work of 250 pages, covering all the matters most likely to come before an examining official, such as his personal attitude toward the company and its officials, examinations of title to property, mortgages, bonds, stocks, cash in office and bank, miscellaneous assets, liabilities, etc. In dealing with the assets of life insurance companies the author gives his views as to net values and the several forms of death claim liabilities. A chapter is devoted to credit insurance, and the appendices contain the laws to which reference has been made in the text. Mr. Wolfe's style is distinguished for exceptional clarity, and his work can be studied with much profit by all insurance company officials. The volume has been published by the Insurance Press, of this city.

In his forthcoming report Commissioner McMaster, of **South Carolina,** discusses **local taxation** in that State of the insurance business, and shows how it is in its finality a heavy burden on the insured property owner. A specific instance of the way it works is given in the following paragraph:

Fire insurance companies classify towns according to certain standards. The average license fees in town of a class enter into the premium rate to be applied to that class. An excess license charged over the average produces an excess premium charge. Taking the town of Camden, for instance, the average license charged for a town of Camden's class is about $10. Camden charges a license fee of $50. Therefore, 10 cents to brick mercantiles and 12 cents to stocks per $100 of insurance is added to the premium rates paid by the people of Camden. I am unable to give the amount collected from the people of Camden through this additional charge, but it is safe to say that it is more than the amount paid in license fees to the municipality. Other instances in South Carolina in which specific additional charges are made on account of license fees are: Charleston, 5 cents to brick mercantiles, and 6 cents to contents; Gaffney, 10 cents to brick mercantiles, and 12 cents to contents; Walterboro, 10 cents to all classes. Another effect of excess license fees is that it discourages new companies from entering the field. In the case of Camden scarcely more than one-third of the fire insurance companies licensed to do business in South Carolina have agencies in Camden.

That the Life Underwriters' Association of New York thinks highly of **William C. Johnson** was amply demonstrated at the dinner in his honor last week, Thursday night, briefly referred to in our issue of last Saturday. Mr. Johnson, as has been noted, goes to the Columbian National Life of Boston as its vice president and general manager. He is the man who, in the face of what seemed impossibilities, secured a modification of the New York insurance laws so as to provide a more adequate rate of compensation for field men, and his service in that regard has not been forgotten. Long years have been devoted by him to life insurance work with unusual success, and his aim seems to have been to promote the higher ideals of the business. The association adopted a resolution of highest praise for Mr. Johnson, and made him an honorary life member of it.

Final disposition of the **suit against the Western Union Telegraph Company** brought by the Providence-Washington Fire has been made by the Illinois Supreme Court, establishing the point that a telegraph company can be held responsible for loss suffered by fire through failure to deliver a message properly. A notice to cancel was sent by telegraph to an agent of the Providence-Washington, but was transmitted to the wrong city and was not delivered until after a letter confirming the dispatch had been received. Had cancellation been made on the day the dispatch was sent the company would have avoided a loss which occurred within the five-day limit after the arrival of the letter. The ruling of the court will be of great interest to fire insurance companies because of the universal use of telegraph lines for cancellation notices.

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The **new State Insurance Board law of Texas** became effective December 10, and the State Insurance Board has issued its first orders under the law. It promulgates the maximum specific rates at which fire insurance policies or contracts may be issued in the State. Regarding the relations of agents under the law of the board, the order says:

Under Section 10 the board is empowered to require sworn statements from any insurance company, and from any of its agents, as to rates and premiums, and all necessary facts and information to assist in the enforcement of the provisions of this law. It is therefore hereby ordered that any agent writing insurance below the maximum rate shall at the date of issuing the policy furnish this board by registered mail with a sworn statement of the transaction on blanks prescribed by the board, which shall be furnished on application. The board deems this necessary in order to protect all policyholders, and to be in immediate possession of any information warranting a reduction in insurance rates.

Since **James V. Barry** decided to decline the assistant secretaryship of the Metropolitan Life insurance company, to which he was elected November 29, a change has occurred in the conditions affecting the situation which has enabled him to join the company, and with the entire concurrence of the casualty companies which, while they regret the loss of his services in organizing the Publicity Bureau, feel that they cannot consistently except to his call to wider responsibilities in life insurance. Under date of December 19 Vice President Haley Fiske, of the Metropolitan Life, makes the following announcement:

We take pleasure in announcing that the board of directors has appointed the Hon. James V. Barry to be an assistant secretary of the company, and that he has accepted the position.

Numerous changes in the field force are announced by the **Springfield Fire and Marine,** as follows: The special agency work before conducted by Alfred L. Mooney and Thomas A. Hird from Philadelphia will be divided to facilitate the handling of the business. Mr. Mooney, with headquarters at 420 Walnut street, Philadelphia, will have southeastern Pennsylvania, southern New Jersey, Delaware, Maryland (except Allegheny and Garrett counties) and the District of Columbia. Mr. Hird has been assigned the central Pennsylvania field, with headquarters, 410 Connell Building, Scranton. Hubert W. Chapman will have charge of western Pennsylvania and Allegheny and Garrett counties, Maryland, with offices at 221-225 Fourth avenue, Pittsburgh, Pa.

The new Auditor of State and Insurance Commissioner of Indiana, William H. O'Brien, is a well known banker of Laurenceburg, Ind., where he is president of the People's National Bank. *Rough Notes* says of Mr. O'Brien:

As to his insurance experience Mr. O'Brien admits that this has been limited almost wholly to the payment of various premiums at stated intervals, but those who have observed his very evident desire to get straight to the core of matters in the insurance department, and the keenness he displays in grasping the details as they are presented to him are encouraged to believe that he will quickly grow into his new duties and perform them with credit to himself and State. He has wisely, we believe, retained the services of Chief Clerk Cyrus W. Neal, who for more than fifteen years has held that position, and who, better than anyone else that could possibly be selected, can assure the continued operation of that department without interruption or serious disorder.

In his monthly bulletin Insurance **Superintendent Chavez, of New Mexico,** makes statements regarding unauthorized insurance, the promotion expenses of new companies and the proposed uniform fraternal regulation bill. The superintendent fires a shot at a man who is soliciting business for the National Casualty Company of Detroit in these expressive words: "This man does not represent this company in any manner. The company will not issue any policies solicited by him, and they are assisting this department in every way to apprehend him. He has swindled some people at Clovis, and was last seen at Farmington. Anybody solicited by him should immediately notify this department."

A report has been received here in the **Philadelphia sprinkler loss,** referred to as unbelievable in this paper last week, which confirms the opinion then expressed that the item was written by someone uninformed as to automatic sprinklers. The $1 fire opened a few heads, and an overzealous watchman, anxious to help, knocked open a number of others, resulting in a much larger water damage than was necessary. The statement that every head in the building was opened by a $1 fire would be ludicrous if it were not for the fact that a great many people who know nothing about sprinklers probably believed it.

At a conference between Insurance Commissioner Darst of **West Virginia** and a number of insurance men of the State on the matter of **legislation** to be proposed the coming session of the Legislature it was agreed that bills should be prepared for introduction authorizing the insurance commissioner to license agents of insurance companies not authorized to do business in this State under certain conditions; taxing persons who place their insurance with unauthorized companies; requiring deposits from foreign fire and casualty companies to protect their contracts in this State, and penalizing rebating.

The **Surety Fund Life of Minneapolis** has reincorporated as a legal reserve stock company. The capital of $100,000 was subscribed in thirty minutes. The company has been in business twelve years and has $13,000,000 of business in force. Its officers have been in position for ten years and are as follows: Leslie C. Lane, president; W. P. Hobart, vice president and treasurer; Charles W. Jenne, second vice president; E. J. Miller, secretary. R. P. Herrick, E. F. Smith, Charles W. Drew and M. D. Crawford, with the officers, constitute the board of directors.

The following **dwelling rate** has been adopted **at Pittsburgh:**

Dwellings—Buildings occupied exclusively as private dwellings, under public fire protection, or within 500 feet of a fire hydrant, may be written at the following rates, these rates to apply only to independent buildings:

Brick, or stone, or built entirely of cement blocks (not vitrified tile), 25 cents; contents, 25 cents; brick veneer, 25 cents; contents, 25 cents; brick or stone first story, cement second story, 25 cents; contents, 25 cents; brick or stone first story, frame second story, 30 cents; contents, 30 cents. Two annual premiums for three years, and three annual premiums for five years.

An improved fire fighting system now being installed at the terminal of the Central Railway and Ocean Steamship Company at **Savannah, Ga.,** provides a **double equipment of hydrants.** In case of necessity the city fire engines will pump from the city hydrants into the company hydrants, thus affording water and pressure all through the company's terminal without exposing the cotton stored therein to the danger of fire from the fire engines themselves. The new system is arousing much interest among the insurance companies.

Speaking of Jersey justice, the report of the coroner's jury regarding the recent factory fire horror is that **no one is to blame for it!** In France, however, a woman was recently fined a sum equal to $50 for carelessness because she accidentally set fire to a curtain at her window, notwithstanding the fire was immediately extinguished without loss to anything except the curtain. A passing policeman saw the flash and arrested the woman. Some new methods in America might help about reducing the fire waste.

An organization of the **fire insurance men of Detroit,** Mich., is being completed, the moving genius being Charles D. Ben-

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nett, of the firm of Bennett & Root. A dinner was held at the Cadillac Hotel on December 14, after which C. S. Pellett, of Chicago, gave a short address. Mr. Bennett presided. The organization when perfected will be along lines similar to those on which the Fire Insurance Club of Chicago and the Insurance Society of New York operate. Another meeting will be held in the near future.

An unusual fire was encountered by New York firemen in the **old Metropolitan Life Building,** on Park Place, Monday night when they were required to work two hours to break open two vaults to get at a fire which had worked up through a small concealed space to the compartments. After breaking through the first door there were five steel compartments, each protected by a combination lock, to force open. The vaults were in the offices of the Interborough Rapid Transit Company.

At the meeting of the **New York Board of Fire Underwriters** on Wednesday a handsome silver service was presented to Chairman E. E. Pearce of the fire patrol committee with the compliments of the individual members of the board. The presentation address was made by Manager George W. Babb, of the Northern Assurance of London. The routine business of the meeting was a discussion of the 2 per cent. tax on fire premiums for the benefit of the New York city fire department.

The latest decision in the **Hotel Ampersand case** is one eliminating from the defendant's amended answer language similar to that not allowed in the trial of similar cases against other defendant companies, and limits the Orient, the company concerned in the present case, to the events prior to the issuance of the policy. The company contends that the alleged conspiracy existed prior to the placing of the insurance policy, which, it alleges, was null and void from the beginning on that account.

The company paper of the Midland Mutual Life, in republishing our notice of the withdrawal by the Topeka *State Journal* of its libelous charges against **S. H. Wolfe** and apology therefor, says:

> Yellow journals had better leave technical news like insurance to insurance publications. Mr. Wolfe needed no retraction, as his standing and reputation among insurance men is so secure that attacks from such a source are wholly unavailing. Just another instance of "wadin' in" beyond one's depth; if you can swim out, all right; if you can't—well, no matter.

The **New England field of the Ætna** of Hartford has been rearranged since the appointment of Special Agent Hiscock as Boston manager. Fred W. Mathews is given eastern Massachusetts and Rhode Island, Ralph B. Ives continues in charge of western Massachusetts, Connecticut and Vermont, and Wellington H. Wart is appointed to the Maine and New Hampshire field, in which Mr. Wart has been special agent for the Phœnix of Hartford for the past ten years.

At a recent meeting of the Indiana branch of the Fraternal Congress the features of the **new uniform bill to regulate the fraternal business** were discussed, and a committee was appointed to prepare the bill for the Legislature at the coming session and look after fraternal legislation in general. W. H. O'Brien, Auditor of State, and Miner B. Hunt, now at the head of the insurance department of the Knights of Pythias, addressed the meeting.

The **Provident insurance company of Birmingham,** Ala., has just been incorporated and will begin to write business on January 1. It has an authorized capital of $100,000 and surplus of $50,000, and will devote its energies to health and accident lines only, using the standard policy and rates. The officers of the company are: President, C. C. Denio, Montgomery, Ala.; secretary and treasurer, E. C. Dunn, Birmingham, Ala.

Regarding complaints made by members of the fourth class of the insurance department of the **Knights of Pythias,** and their suggestion that Superintendent Hotchkiss ask for a receivership as to this State, Actuary S. H. Wolfe states that the new rates in the old fourth class will be adequate to meet present needs and prevent increases in the future. It is not believed that the superintendent will see cause for a receivership.

Boston, Mass., is **to be examined** as to its **fire hazard** by engineers from the National Board of Underwriters. The examination will require nearly three months. Chief Engineer George W. Booth is in charge, with William Johnson superintending the observation of the fire department, Clarence Goldsmith for the hydraulic problems, and C. T. Bissell to superintend the structural inspection.

The **new devil wagon** of the Brooklyn Salvage Corps was on exhibition in William street for a few moments yesterday noon, and attracted a great deal of attention among passing underwriters. A feature of the wagon is the receptacle for carrying the hose, from which it is said the hose can be unreeled in about half the time now required on the old style wagons in use in New York.

The **National Life of Butte, Mont.,** has completed its organization and has elected the following officers: President, A. J. Bennett; first vice president, Thaddeus S. Lane; second vice president, A. T. Morgan; treasurer, John MacGinniss; secretary, William Dawson; general counsel, John F. Davies; medical director, Dr. T. C. Witherspoon; agency director, L. H. Morgan.

The **Fire Association of Philadelphia** has appointed James W. Cochran, of the firm of Cochran, Thomas & Co., Dallas, Tex., to be manager of its Western department with headquarters at Chicago. He will take up the new work as soon as he has closed up his Texas affairs. Mr. Cochran is a widely known insurance man who is possessed of unusual ability.

The Reliance Life of Pittsburgh has appointed for its agent at Carson City, Nev., Sam P. Davis, formerly insurance commissioner of Nevada, who created a sensation at the time of the Armstrong investigation by telegraphing to John A. McCall that unless he resigned the presidency of the New York Life its Nevada license would be forthwith revoked.

The New York Fire Insurance Exchange has issued the usual warning to owners of **buildings equipped with automatic sprinklers** asking them, inasmuch as there will be no occupancy of their buildings for two periods of two days' duration each for the holidays, to see that the sprinkler system is in perfect order or that a watchman is continually on duty.

Sixty-seven of the descendants of Adolph Jacobson, of Brooklyn, have decided to organize an **association to promote the interests of the family,** furnish fire, accident and health insurance for its members, settle family quarrels, etc. The officers are to be chosen from among the oldest unmarried grandchildren, their term of office to end at marriage.

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Real estate agents in New York city report that as a result of the recent **factory fire in Newark** women are refusing to work in New York city fire traps, which is having an effect upon the renting of certain loft buildings in the downtown districts. Manufacturers seem to be leaving for the more modern buildings in the midtown section.

In addition to the **reduction in fire insurance rates** announced last week by the New York Fire Insurance Exchange a cut of 5 per cent. has been made in Districts 1 and 2 in New Jersey. On the Universal Mercantile Schedule what is known as Charge 107 will be removed, making a further reduction of 1 cent in the rate.

The **Federal Life of Chicago** has resumed the publication of its company paper, *The Federal.* The first issue contains some very interesting matter in a well selected variety, and as a supplement has a fine half-tone cut of President Isaac Miller Hamilton. The paper should be one of the best of helps to Federal agents.

The Midland Mutual Life *Builder* publishes statistics from all the States in the Union which show that only 12.52 per cent. of the insurable people in the United States **carry life insurance.** In Nevada the percentage is highest, being 22.91, while in South Carolina but 5.78 per cent. of those who might insure have done so.

The **Home Life and Casualty of Fordyce, Ark.,** has elected R. E. Pugh, formerly a real estate dealer, president. A. B. Banks, formerly secretary, was elected vice president, and John R. Hampton was elected secretary. The Home started business May 1 and has already written about $800,000 of paid-for business.

A sworn statement by a man in Crockett, Tex., is to the effect that he is the man known as Joseph Bailey, **supposed to have been drowned** in the Tallapoosa River in Alabama on September 12 last. He held life insurance policies aggregating $16,000 and was wanted on a charge of conspiracy to defraud.

The **German American Life,** recently organized at **Denver,** has for its president John L. Stearns, who has been connected with the Mutual Life of New York for forty-one years, and who has just resigned the management of that company's Denver branch. He began with the Mutual Life as office boy.

A **Chicago widow is suing** for the proceeds of her husband's life insurance policy. The application shows that the policy was asked to be made payable to the widow, but the error in the policy itself making it payable to the estate was not discovered until after the death of the insured.

The recent destruction of the new Elms Hotel, at Excelsior Springs, Mo., with a loss of $175,000, is attributed to absence of fire walls and to the **wide open spaces** between the floors and ceiling, through which the fire spread. These concealed spaces hid the fire from the firemen.

The New York Insurance Department has ruled that in this State life **policies may be "dated back"** not more than six months, regardless of whether the applicant will thus secure the benefits of a lower rate because of a lower rated age than his nearest full age or not.

The **Home Life of New York** has appointed George R. McLeran to be manager of the Chicago department, effective January 1 and succeeding Bernard Goldsmith. Mr. McLeran was formerly Chicago agent for the Northwestern Mutual Life for thirteen years.

The **Western Reserve** insurance company of Cleveland, Ohio, has decided to withdraw from most of the States in which it has been doing business and operate principally in Ohio. Its Eastern business is reinsured in the Franklin of Washington, D. C.

Engineers representing the National Board of Fire Underwriters have made special investigation of the **water supply at Norwich, Conn.,** which they find to be lacking in case of serious fire. Denver, Col., the experts say, has no serious conflagration hazard.

An address by Frederick L. Hoffman, statistician for the Prudential of Newark, on **"Fifty Years of Life Insurance Progress"** is to be one of the features of the annual meeting of the American Statistical Association at St. Louis on December 28.

A **strong agency combination** has been formed at Chicago in the partnership of George H. Batchelder and O. C. Kemp as the firm of Kemp & Batchelder, which will manage the Western department of the Delaware, Reliance and Rochester German.

During the past two years twenty-seven **new insurance companies,** nearly all life, have been organized **in Texas,** largely because of the legislation regarding investments which drove a number of the leading life companies out of the State.

The **Canadian Fire Underwriters' Association** will make the maps used by its members, and will take steps to prevent the maps from going into the hands of others. The lithographic stones will be destroyed after the orders have been filled.

The New York Insurance Department is conducting an examination of the affairs of the **Alliance of London,** formerly in direct business in this country, on an application for the release of some of its funds still on deposit here.

The biennial report of the **Iowa Insurance** Department shows that from June 1, 1908, to June 30, 1910, the insurance companies paid into the State Treasury in **taxes** $651,037. Of this $104,124 came from Iowa companies.

The **Memphis Association of Life Underwriters** will be an applicant for the 1912 convention of the National Association of Life Underwriters, and will hold a banquet in January, at which plans of campaign will be made.

Under the **new organization of the Texas fire rating board** R. M. Hamby becomes secretary of the board and Harry L. Wright is State fire marshal. These will serve until the new Governor completes his new board.

The **Tennessee Association of Local Fire Insurance Agents** has re-elected W. E. Metzger as president. Other officers are: Vice presidents, R. H. Fitzgerald and L. Y. Mason; secretary and treasurer, B. H. Loventhal.

The **Street Railway Association** of the State of New York has employed Henry N. Staats, of Cleveland, as its **insurance expert** to represent the contributing members in inspecting recommendations for protection.

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The application of the Metropolitan Life for permission to **establish a sanitarium** at Mount McGregor, in Saratoga County, N. Y., has been granted by the State Health Commissioner and the health officer of the town.

The Reliance Life of Pittsburg, which has heretofore **charged an extra premium to automobile salesmen** and managers, has removed the penalty and will accept them in future at the regular rate.

It is reported from Birmingham, Ala., that W. H. Gregory, lately retired as president of the Citizens National Life of Louisville, Ky., **will organize a new life insurance** company at Birmingham.

On the close of his term of office, January 1, announces Deputy Insurance Commissioner M. C. Tift of Minnesota, he will open a law office in Minneapolis and make a specialty of insurance law.

The Norwich Union will appeal from a decision this week requiring it to pay the insurance on the **chewing gum factory at San Francisco** which was destroyed by the earthquake.

The **Georgia Fire** and **National Home of Atlanta** have elected Charles I. Mell, recently resigned from the Continental, to be secretary of both companies, effective January 1.

The general agency firm of **W. L. Nelson & Co.**, of Memphis, Tenn., has closed its New Orleans branch office, and all business in that territory will be reported direct to Memphis.

The **Lone Star Life** of Dallas, Tex., has elected C. A. Goodale vice president and director of agencies. Mr. Goodale was formerly with the Security Life of America of Chicago.

Receivers have been named for the **Piedmont Mutual** and **Palmetto Fire** insurance companies of Spartansburg, S. C., which have been trying for two years to reorganize.

The **Sovereign Fire of Canada** has appointed Gabriel O. Kinney, of Atlantic City, to be examiner and underwriter at its United States branch office in New York city.

The **San Francisco Life** has secured its $250,000 of paid-up capital, and has made application for its license. John A. Coster is president, and Byron Mauzey secretary.

London authorities are already arranging to minimize the fire hazard of the street illumination to be made use of at the **coronation of King George V** next June.

The **Philadelphia Insurance Society** will hold its annual dinner on January 16, at which time E. R. Kennedy, of Weed & Kennedy, will be one of the speakers.

The Missouri farm and tornado risks of the **Shawnee Fire** of Topeka have been reinsured by the National of Hartford with the Phœnix of Hartford.

The **Four States Life** of Texarkana, Tex., expects to apply for its license within thirty days. It states that $1,000,000 of stock has been placed.

The **Freeholders Fire** of Topeka, Kan., having made the same mistake as the Shawnee, in doing too much business, has reinsured and quit.

Announcement is made that the **Mutual Life** will increase its **dividends for 1911**, making the seventh consecutive increase.

The **Pennsylvania** mutual fire companies will urge the appointment of a **State fire marshal** by the next Legislature.

The **San Francisco Life** has applied for its California license. It claims to have $250,000 of capital fully paid.

Cleveland, Ohio, is to have its insurance interests centred in **one office building**, according to present plans.

The annual meeting of the **Penn Mutual Life Agency Association** will be held at Memphis about June 1.

The **water supply** has failed **at Stamford, Conn.**, and heroic measures are being resorted to.

Portland, Ore., possesses a serious conflagration hazard, the National Board engineers say.

The **new fire marshal of Minnesota** is Charles E. Keller, succeeding Edward Peterson.

The **Chicago Insurance Brokerage Association** has elected George M. Eddy president.

Cincinnati suffered a small conflagration this week involving a **$2,000,000 fire loss.**

The **Law Car and General of London** has been ordered by the court to liquidate.

Personal.

AGENCY APPOINTMENTS.

Home Life of New York: Jerome V. Wilson, general agent in South Carolina, succeeding George R. Norris, resigned, with headquarters at Sumter, S. C.

National Surety: J. W. Stevens, Pacific Coast manager under Vice President F. S. Gilbert, vice A. H. Connelley, resigned; Hayes & Booth, of Pittsburgh, general agents for western Pennsylvania, succeeding James W. Sweet.

Mr. W. G. Apfel, one of the best known insurance brokers in Chicago and prominent in German and Masonic circles, died Thursday night at the Augustana Hospital, following an operation. The latter had not been regarded as serious, and few knew that Mr. Apfel was indisposed. He was about fifty years of age, and leaves a widow and two children. For nearly ten years he had been a solicitor in the office of Moore, Case, Lyman & Hubbard, and was formerly with Lyman & Herrick.

Insurance Commissioner Folk, of Tennessee, is engaged in a lively fight for re-election. The Insurance Commissioner is chosen by the Legislature, and as Mr. Folk took an active part in the independent Democratic movement which upset the former régime in Tennessee by electing a Republican Governor, political conditions are very much demoralized.

Mr. C. C. McChord, a Louisville attorney, who is president of the Consolidated Casualty, has been appointed to the Interstate Commerce Commission by President Taft. Mr. McChord was on the Kentucky Railways Commission, and was the choice for the position of the National Association of Railroad Commissioners.

Dr. Frederick W. Chapin, senior medical director of the Massachusetts Mutual Life of Springfield, Mass., died suddenly December 15 of angina pectoris. He was at his desk the day previous. He was sixty-one years of age, and had been medical director of the company since 1885.

Mr. W. A. Jenkins has resigned as general secretary of the insurance department of the Knights of Pythias, to go into other business, and is succeeded by W. O. Powers, who has been with the insurance department of the order for the past seven years.

Mr. Fred Holman has been appointed special agent for the Norwich Union, effective February 1, 1911, succeeding W. S. Louden, resigned. Mr. Holman has been head of the rating bureau of the Underwriters' Association of the Middle Department.

Mr. Franklin W. Ganse, who recently resigned as vice president and director of agencies of the Columbian National Life, will become on January 1 general agent of the company at Boston, covering the seven eastern Massachusetts counties.

Mr. E. B. Dewey, special agent of the Queen for Virginia and North Carolina, has resigned, effective March 1, 1911, and will devote his time to the management of his other business interests.

Mr. John C. Billheimer, ex-Auditor of the State of Indiana, has been appointed Indiana State agent and manager of the Security Life insurance company of America.

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Mr. Cary J. Wilson is announced as assistant to Ike S. Lewis, the new Kansas Superintendent of Insurance. He is a graduate of Kansas Univerysity.

Mr. F. W. Young has been appointed special agent for the E. E. Hall & Co. agency in Massachusetts, Rhode Island and Connecticut, in connection with his supervision of the New York State territory.

Mr. Carroll Tubman has been appointed superintendent of the plate glass department at the New York office of the Maryland Casualty Company.

Col. Morton Marye, who as State Auditor of Virginia supervised insurance from 1884 to 1903, died at Richmond, Va., on Thursday.

Mr. R. M. Bissell, vice president and underwriting manager of the Hartford Fire, is reported to be seriously ill with pneumonia.

Mr. Hugh Nelson has resigned as New York manager of the liability department of the Pacific Coast Casualty Company.

Mr. Ira L. Case, a prominent Middletown, N. Y., insurance man, is dead, aged sixty-six years.

Casualty and Surety Insurance.

There are variously developed kinds of **office organization,** but one of the highest types is in the office of the Western department of the Employers' Liability of London at Chicago. During a recent conversation on this topic Manager George A. Gilbert gave a practical demonstration to a caller. He pushed a button on his desk. Immediately a boy appeared. Without looking at the boy Mr. Gilbert asked: "What is the last number?" "One hundred ninety-three thousand eight hundred one," was the reply. "That is all, thank you," and the boy turned away. Mr. Gilbert noted the figures on a sheet of paper and then filled out this statement around them: "From June 1, 1887, to December 12, 1910, there have been 193,801 accidents under liability policies of all forms reported to George A. Gilbert, and only 167 suits are this day outstanding." Mr. Gilbert knew the number of suits without asking.

The National Civic Federation, at a meeting in the Metropolitan Life Building on Thursday, **discussed liability laws** and a tentative bill which had been drafted by the legal committee. August Belmont presided. Others present were George W. Perkins, James R. Garfield, Charles H. Butler, Samuel Gompers, John Mitchell and Seth Low. P. Tecumseh Sherman, on behalf of the committee, read the draft of the bill, parts of which were criticised. Seth Low said there should be a provision for old men. A number of suggestions as to changes were made, and the draft was recommitted to the committee.

Believing that its capital can be used to better advantage in the surety business alone, the **Empire State Surety** has **reinsured all its casualty and liability** business in the United States Casualty. S. H. Wolfe will adjust the unearned premiums for both companies. Most of the Empire State casualty men will go with the United States Casualty, while surety business controlled by agencies of the latter company will be turned over to the Empire State. Each company regards the deal as a favorable one. The reinsurance will be effective from noon of December 28.

The **Fidelity and Casualty** announces the appointment of **Nelson D. Sterling,** formerly assistant secretary of the Ætna Indemnity, to be superintendent of its plate glass department, succeeding A. J. Ferres, who has been promoted to be superintendent of agencies. Mr. Sterling is well known in plate glass insurance circles, and is prominent in the affairs of the Plate Glass Underwriters' Association, besides being secretary and treasurer of the Burglary Insurance Underwriters' Association and secretary of the Local Board of Burglary Insurance Underwriters.

The Travelers has departed from its usual procedure by appointing the Minneapolis Insurance Agency to be general agent for the Travelers insurance company's liability department, and for the Travelers Indemnity Company in the southern half of Minnesota exclusive of the city of St. Louis, and in St. Croix, Pierce and Dunn counties, Wisconsin. The Travelers will discontinue its district agency in that territory, and its former representatives will be connected with the agency firm.

The **cotton bills of lading matter** is to come up for discussion again in February, at which time a conference will be had between representatives of the English bankers and the American shippers. It is stated that some of the railroads have already violated the White Sulphur Springs agreement by issuing bills of lading before the cotton had actually been delivered, which is the very practice sought to eliminate. Interested parties believe that national legislation on the matter is imperative.

The **surety business in Texas** seems to be proceeding from bad to worse. Liquor dealers' bonds are selling as low as $25; public officials' indemnity is quoted at $2 per $1,000, and other lines are on the same level. Lack of qualification among agents and the aggravation of the past year among fire insurance agents, most of whom write surety bonds as a side line, partly account for the situation. The inadequacy of rates is attracting considerable attention among Texas surety underwriters.

The **Massachusetts** commission named by the last Legislature of that State to draft an **employers' liability bill** has prepared a tentative draft, which furnishes indemnity to employees in all places where more than five persons are employed. Injuries due to intoxication, or breach of statutory regulations, and those self-inflicted, are not covered. An employer is not liable for injuries to employees of a contractor or sub-contractor.

The departure of the Empire State Surety from the liability field involves the retirement of **Dr. R. S. Keelor** as vice president and liability manager. Dr. Keelor is essentially an accident and liability underwriter, and is entitled to be called the dean of the accident and liability underwriters in this city. He began writing accident business in 1878 and liability business in 1886. He will undoubtedly be found soon in a position suiting his capability.

The **National Surety** is ready to pay the $200,000 judgment just entered against it by the city of St. Louis, providing that the company's indemnitors do not insist upon further appeal. The company bonded the Kern Incandescent Gaslight Company, having been indemnified by several wealthy citizens of St. Louis, who were in turn protected by another surety bonding company. The matter has been several years in the courts.

The **Travelers** has made a tabulation of the **benefits paid** under what are classed as vacation accidents between June 1 and November 1 of 1910. The total is $167,467, of which $102,061 is due to automobiling, $28,015 to boating or bathing, $23,657 to sports or recreation, $11,112 to bicycling, and $2,620 to hunting and fishing. The hunting accidents do not begin to be serious until after November 1.

The **Commercial Casualty of Newark** has terminated its general agency contract with the Gray-Mandeville Company, its promoters, and a suit for $100,000 damages is to follow. The agency company had a contract for New Jersey, a part of Pennsylvania and part of New York State. The company hopes to enter New York State early next year.

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The *Agents' Record* of the **United States Health and Accident** of Saginaw, Mich., says, in red ink: "When you strike your office in the morning grab your rate book and bounce out again like a rubber ball. All your prospects are in the field."

The governing committee of the **Workmen's Compensation Service and Information Bureau** has selected C. H. Franklin, of the Frankfort, to be chairman. A. Duncan Reid, of the Ocean, was chosen secretary-treasurer.

The appointment of **Henry C. Sommers** as special representative of the Phœnix Preferred Accident to work among members of the United Typothetæ of America is announced. A special contract will be used.

The losses to plate glass insurance companies on account of the **explosion at the Grand Central terminal,** New York, are estimated at $25,000. The amount will be recovered later from the railroad.

All workmen, servants and clerks over sixteen years of age and having an annual income of less than $5,500 are **required in Germany** to insure against old age.

The new **workmen's compensation law in Missouri** will probably be delayed until 1913, on account of the probable appointment of a new commission.

The **promotion of C. E. Scattergood,** liability statistician for the Fidelity and Casualty, to be fifth assistant secretary of the company, is announced.

The **United States Fidelity and Guaranty** has placed Charles Phillips in charge of the claim department of the Chicago branch office.

Excise bonding will fall off shortly in North Adams, Mass. On Tuesday the city voted by a majority of one ballot to become "dry."

A bill incorporating the **American Fidelity of Montpelier** has been passed by the Vermont Legislature and signed by the Governor.

Insurance Legislation.

Oregon.

SALEM, December 15.—The coming session of the Oregon Legislature will see some changes in legislation, especially in the matter of the publication of the annual statements. The forms sent out by the Insurance Commissioner last year in compliance with the new law contain a great deal of matter that is misleading, and do not contain other matter in exposition of the financial standing of insurance corporations that the public wants to know. The annual statement was also endangered by insurance companies publishing the same in obscure newspapers of small circulation. Publicity is what the law aims at, and the publications in small weeklies and class publications have created a great deal of prejudice against insurance corporations, the public getting the idea that, like malodorous divorce cases, they are to be kept out of newspapers of general circulation.

Mutual insurance companies are to get a shaking up, as there is a very loose mutual insurance law in Oregon. These companies are practically exempted from the general operation of the law requiring financial stability, and some of them have not a dollar of surplus out of which to pay losses. Notably one Portland company litigates all claims for losses, and pays its running expenses out of its collections for premiums from day to day. It tries to force all insured persons who meet with a loss to settle on about 25 cents on the dollar, and thus draws them into the courts, and by appeals delays all settlements. That there will be legislation on the mutuals is now apparent.

There will be a fight to compel publication of annual reports in the largest newspapers and in every county of the State, instead of as at present in only four newspapers in the State.

Miscellany.

The Fire Insurance Investigation.

On Friday of last week the principal witness before the New York Legislative Investigating Committee was Frank Lock, United States manager for the Atlas of London. He occupied the stand for the larger part of the session, and his testimony covered almost all the principles and details of fire underwriting in the United States, including an analysis of fire insurance expenses, premium rates, the work and objects of the New York Fire Insurance Exchange, the conflagration peril of large cities, competition of mutuals with stock companies, fire underwriting profits and State making of rates.

Mr. Lock said, in reply to Chairman Merritt's question, that no large fortunes were made in the fire insurance business. It was a most hazardous and complicated business. It was difficult to secure capital for it. He urged the enforcement by the State of a rigid fireproof building construction code. He thought that any body of officials who might be charged with the duty of fixing rates in this city would be likely to reduce them simply because the loss record was comparatively low, while the companies might need the premiums badly to cover the conflagration hazard.

Insurance Commissioner Hartigan, of Minnesota, was examined as to his opinion on State rate making, and said he would rather favor a State board or court of appeal, to which policyholders with complaints about rates could have their grievances examined and acted upon.

At the session of the committee on Monday Moses Tanenbaum, of the brokerage firm of L. Tanenbaum, Son & Co., testified his belief in the possibility and even probability of a great conflagration in New York, and favored the passing of a law to restrict the amount of insurance which any one company can write in a single district of the congested section. There was too much gambling in the fire insurance business in New York. Companies take the chances, and if they lose in a great fire the receiver pays 10 per cent. if anything is left after paying counsel fees. Mr. Tanenbaum admitted that his firm was in a quarrel with the Fire Insurance Exchange, which had held up its license, but the license would be forthcoming, because the Exchange would not dare refuse while the investigating committee is sitting.

John A. Eckert, a broker, said that anti-compact laws injured the public in the long run.

A suburban dweller protested to the committee against the high rates in his section, Brownsville, but two brokers of that locality gave evidence that the losses there justified the rates, and companies were making no money there.

Mr. Tanenbaum was recalled on Tuesday, and reiterated his opinion of the danger of a great fire in Manhattan while weak companies were carrying risks twenty times in excess of their assets. He favored the licensing of brokers by the State. The Fire Insurance Exchange exacted $80,000 yearly from brokers in license fees which ought to go to the State. The money could be used to support a board similar to the Public Service Commission, to regulate the insurance business.

Mr. Seelye Benedict, of Benedict & Benedict, brokers, said that the Fire Insurance Exchange had been of great benefit

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in introducing good methods and the scientific conduct of the business. He believed that such combinations protected the public from imposition. Legislation should be directed to giving greater stability to the companies.

On Wednesday the star witness was Henry Evans, president of the Continental. He did not think that the fire insurance business needed any regulation by the State Legislature. He spoke of the necessity of a reduction of the fire insurance waste in this country. If the amount could be cut down from $300,000,000 to about $70,000,000 annually "we would have the world by the tail." The large merchants in the heavy valued districts of New York experience great difficulty in obtaining enough insurance, but there are some companies carrying too much business in those districts. Asked by Counsel Bruce for his views about an anti-compact law, Mr. Evans replied: "I believe a properly organized combination of companies for the making of rates is beneficial for the public." From a selfish point of view he believed that while a condition of chaos would cause a loss, it would in the end put his company in a better condition. He did not favor State licensing of brokers. The effect would be to put the business in the hands of a few large brokers. A valued policy law developed the moral hazard of a risk by giving the owner a reason for desiring to burn his property. In reply to the question what he thought the Legislature might do to improve the business, Mr. Evans said that the nearer we get to free trade and allow all companies to do business in the State the nearer we will arrive at a solution of present problems. He alluded with commendation to the English method by which companies make their statements to the Board of Trade without further supervision.

Frederick C. Buswell, vice president of the Home insurance company, testified that there had been a general change in the Western States regarding anti-compact laws, and that they are no longer regarded as beneficial. Laws requiring uniformity in rates and preventing discrimination are favored. Uniformity means that every company must apply the same rates throughout its territory, not that different companies must adopt uniform rates. "The expenses of all insurance companies are rising and rates are going down," said Mr. Buswell. "That is the best proof that there isn't any trust. The first thing a trust does is to cut down expenses."

At Thursday's hearing A. M. Best, publisher of Best's Reports, said that owing to the concentration of values in the business district of New York and the tendency of the companies to take on more liabilities than they can meet in case of a great disaster, the situation is exceedingly grave. Company officials had admitted to him that their concerns would be wiped out should a fire sweep through the congested districts. The companies know the hazard, but are willing to gamble. Insurance buyers at present cannot get at the liabilities of the companies. They are groping in the dark. Underwriters had told him that to publish their secrets would create a panic. He suggested as a remedy that companies be required by law to file reports with the Insurance Department showing just where their greatest risks are located. Another remedy was the introduction of more capital into the district. He thought that an insurance system not unlike that of the London Lloyds should be inaugurated, through which some of the insurance companies and individual underwriters could pool their issues.

Edward F. Beddall, of the Royal and Queen, was also a witness. He was inclined to the belief that the State could do nothing in the way of legislation affecting the companies which would give the policyholder any squarer deal than he gets now. He was skeptical about the proposition to create a board of review to which the insured could apply for information as to how the rate on his property is made up. "He can get full details as to that now," said Mr. Beddall, "by applying to the Fire Insurance Exchange." Combined experience, he added, is necessary for the equitable adjustment of rates. The profit of the companies in New York during the past ten years had been about 10 per cent., but the Royal in the San Francisco conflagration lost $6,000,000, which represented all the accumulations in this country for twenty years.

Philip J. Mosenthal, a broker, testified to frauds committed by unlicensed concerns on the East Side, and George L. Draper, an insurance engineer, described the application of the schedule in Texas under the rating board law.

The Proper Assessment of Fire Insurance Rates in Great Cities.

(A lecture before the Graduate School of Business Administration of Harvard University, December 21, 1910, by Henry E. Hess.)

To properly grasp the rating methods of today it is necessary to take a retrospective view of the conditions out of which they have been evolved. Some two hundred years ago, that is to say, in April, 1710, a company was organized in London for the insurance against fire of "houses, goods, wares and merchandises, and furniture." The three other fire insurance companies then in existence were upon the contributionship, or what we now call the assessment plan, and wrote buildings only; but this new company offered to make its contracts good out of its own funds, and to extend its protection to personal property as well as buildings. At the outset its policies were all for the same amount and for the same premium, viz., £500 for 10s. per annum, and no more than one policy was issued on a single risk. After a few years two policies of £500 each were allowed upon a single risk; and finally, in 1821, the uniform limit was abandoned, and policies were issued for any amount agreed upon at a corresponding premium, although the rate was still about the same. Simple as the plan was it met a need of the community, and from the outset this new company—which, by the way, is still in existence and stands among the most prominent in England—was successful.

In this country the earliest offering of fire insurance upon the basis of a fixed rate (meaning thereby other than assessment or contributionship insurance) was in 1794, and the company's proposals embraced the division of buildings into four classes, each carrying a different rate, and the division of contents into four grades, three of which carried a charge to be added to the building rates, thus:

BUILDINGS.

1. Brick or stone, covered with slate, tiles or metal.....	$0.50
2. Brick or stone, covered with shingles.....	.60
3. The sides in part of brick or stone and in part of wood.	.70
4. The sides entirely of wood.....	.80

CONTENTS.

Not hazardous—At same rate as building.	
Hazardous—Add to rate of building.....	$0.12½
Extra hazardous—Add to rate of building.....	.25
Special—Rate to be specially agreed upon, but add to building not less than.....	.50

This was not quite so simple as the uniform policy and uniform premium of 1710 in England, but still it appeals to one as having been within the easy mental grasp of the policyholder. His building fell readily within one or another of the classes of hazards, and, having once landed there, its rate was ready for it. His personal property fell almost as readily into one or the other of the contents classes, and forthwith a charge was presented to be added to the rate of the building containing the goods. Buildings then stood largely detached, or at least they did not touch their neighbor's elbow to elbow; there was always some space all around them. Men had their individual shops or places of business as they had their individual homes or dwellings. The day of the mixed or omnibus hazard had not arrived.

Very soon, however, the idea of further differentiation in classes of hazards for buildings began to develop, with the result that the Massachusetts Fire insurance company, in 1798, put forward six, three of them corresponding to 1, 2 and 4 of those named in the preceding paragraph, but with the qualification added in each case that the buildings should stand separate from other buildings, or, if adjoining, that they should be separated by brick partition walls; and three new classes were made to provide for the others where such separation by brick walls did not exist.

THE CLASSIFICATION OF 1820.

In 1820 a classification was put forward in New York (very likely as the result of the deliberations of the "Salamander So-

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ciety," composed of the eight companies then doing business in that city), which embraced eight building classes, beginning with "buildings of brick or stone covered with tile, slate or metal, the doors and windows of solid iron," and ending with "buildings entirely of wood." In passing we may note that the expression "covered with" was then used as we might refer to the cover of a pan or kettle, and means "roofed with"; and the requirement of "doors and windows of solid iron" must not be taken literally; later they became familiar as "iron doors and shutters," and in the end signally betrayed the faith reposed in them.

For the sake of comparison, and because at this time the "Classes of Hazard" seem to have reached a fairly complete development, I here give you the eight classes referred to as set forth in policies of 1820, viz.:

	Rate.
First—Buildings of brick or stone, covered with tile, slate or metal; the doors and windows of solid iron.....	$0.30
Second—Buildings of brick or stone, covered with tile, slate or metal.....	.35
Third—Buildings of brick or stone, roofs three-fifths of tile, slate or metal, the rest shingled.....	.40
Fourth—Building of brick or stone, covered with wood...	.45
Fifth—Buildings of frame, filled in with brick, with front entirely of brick.....	.50
Sixth—Frame buildings, filled in with brick.....	.60
Seventh—Frame buildings, hollow walls, with brick front..	.70
Eighth—Buildings entirely of wood.....	.80

Country Houses—N. B.—Country houses, standing detached from other buildings, though of the sixth, seventh or eighth class, will be insured as of the fifth class.

I also give you in full the classification and charges for contents, as set forth in policies of that year, as follows:

Not Hazardous—Goods not hazardous are to be insured at same rate as building in which they are contained, and are such as are usually kept in dry goods stores, including also household furniture and linen, cotton in bales, coffee, flour, indigo, potash, rice, sugars, teas, spices, paints ground in oil, threshed grain, and other articles not combustible, and not hereafter enumerated.

Hazardous—The following trades, goods, wares and merchandise are considered hazardous, and are charged 12½ cents per $100 in addition to the premiums for each class of buildings, viz.: Booksellers' stock, chair makers, chocolate makers, confectioners, china, glass and earthenware in packages; flax, hemp, jewelers' stock, milliners, musical instrument sellers' stock, oil, pitch, pictures and prints, sail makers, ship chandlers, spirituous liquors, saltpetre, tar, turpentine, tavern keepers, tobacco manufacturers, and watch makers' stock.

Extra Hazardous—The following trades and occupations, goods, wares and merchandise are deemed extra hazardous, and will be charged 25 cents and upward per $100 in addition to the premium for each class, viz.: Aqua fortis, apothecaries or druggists, boat builders, coach makers, cabinet makers, carpenters in their own shops or in buildings erecting or repairing, china, glass or earthenware unpacked, and buildings in which the same are packed; coopers, dyers, ether, founders, fodder and grain unthreshed, hay, musical instrument makers, spirits of turpentine, straw, soap boilers and tallow chandlers, and all manufactories requiring the use of fire heat. Gunpowder is not insurable unless by special agreement.

Special—Bakeries, breweries, printing offices, book binderies, chemical laboratories, distilleries, malt houses, grist mills, sawmills, paper mills, sugar refineries, and other manufacturing establishments, will be insured at special rates of premium.

You will see that the requirement of isolation from other buildings, or, if adjoining, their separation by means of brick walls, is not made in this classification, but upon the safe assumption that such isolation or separation was meant to be understood, then eight more classes would have been required to care for the instances where isolation or separation did not exist.

GROWTH OF CLOSER SUB-DIVISION AND GREATER DIFFERENTIATION.

So far classification and rates had been upon broad group divisions and upon lines of demarcation easily applied. During the next twenty years, however, the idea of closer sub-division and greater differentiation of the individual risk evidently gained ground, for, in 1839, we find in a tariff of rates issued for New York city a list of deficiency charges to be imposed in rating warehouses and stores, which may be taken as forerunners of the schedule charges imposed today. Thus, there was a fixed rate of 30 cents for a brick building occupied as a store or warehouse, not exceeding 40 feet in height; having tile, slate, metal or cement roof; with brick, stone or metal gutters; solid iron window shutters; no dormer windows or skylights; and situated upon a street not less than 50 feet wide; and to the rate for this standard building additional charges were required to be made for deficiencies in any of the particulars named; the streets being listed by name, and a charge fixed upon each running from 4 cents to 28 cents, according to its variation from the standard width required.

At this point we note that the simple group system is beginning to disappear, and the foundation of the complex schedule system is developing in its place; and with the latter the idea of separately determining the underwriting results upon the classes producing them is also springing into life. Both grow steadily for the next twenty years, and in 1860 we find in use special surveys for various kinds of manufacturing risks, such as cotton mills, woolen mills, paper mills, flour mills, tanneries, and so on. So, too, in time appeared a classification ledger providing for debit and credit accounts, with some eighty-five classes of risks, by the use of which ledger it was assumed that head offices would be able to show just what classes were profitable or the reverse.

This marked monumentally the change from the group system to the class system, and it has been faithfully followed up by many companies even to the present day, the number of classes being enlarged to keep pace with building methods and the development of trade and manufacturing, so that in at least one classification used today there are 1,600 classes, with new ones being added from time to time. A more reasonable one, and which is nearer the average of those in general use, shows 244 classes, which are divided into five groups, namely: "Non-hazardous," covering 60 classes; "mercantile," covering 40 classes; "manufacturing specials," covering 90 classes; "automatic sprinklered risks," in 10 classes, and "non-manufacturing specials" in 44 classes. Each class is divided into brick and frame, and is designated by numbers, the odds all being brick and the evens frame; and each is further subdivided into protected and unprotected business, a protected risk being one located within 500 feet of a hydrant connected with a town or city system of waterworks, and all risks not so located being considered unprotected. Not only in the business of the company classified as a whole; but by States and individual agencies, so that its experience can be shown for localities as readily as for the entire country. It must be borne in mind, however, that every company makes its own classification, and that there is no method recognized as standard; consequently there is no possibility of bringing results together upon a uniform basis. It is, moreover,

ONE OF THE TRYING COMPLICATIONS OF CLASSIFICATION,

and of rate making based thereon, that there may be, and very often is, a shifting and changing downward or upward of the broad conditions underlying a given class, calling for similar changes in our rates. To give you an instance, there was a time when every country town or village had its mill, to which the neighboring farmers brought their wheat to be ground into flour. These mills represented a livelihood to their owners, and involved no moral hazard, and the companies were able to make a reasonable profit out of insuring them. But as railroads spread out through the country and brought the farming hamlets nearer to the commercial centres, the farmers found that they could buy a better flour than they could obtain by having their own grain ground at the mill; so they sold their grain and bought their flour. Naturally the custom of the country mills fell off, until it died away altogether; and during the years that this decline was in progress the country flour mill class developed a loss ratio which rendered it very unprofitable to write. On the other hand, coincident with the decline and disappearance of the country mills, very large mills of great capacity were established at shipping centres, and operated under methods entirely different from those which had obtained in the country mills, the burr stones being supplemented by steel rollers, which did the work more rapidly and thoroughly. These roller mills, however, developed an entirely new hazard, which was that of the explosion of the dust floating in the air within them, a number of heavy losses occurring before the cause of such explosions was ascertained. When that cause was finally determined improvements were made by which the dust hazard was brought under control; and since then these large city mills have constantly improved in construction and equipment, until today we find them built throughout of fireproof materials and protected by automatic sprinklers, with a building rate as low as .50, whereas the old fashioned mills were rated at from $2.50 to $5.00. Now during all these periods of change and evolution the name of the class has remained "flour mills," and all the experience obtained has been covered under that head, although the contrast between the old fashioned country mill and the modern city mill is as the difference between a tallow dip and an electric light.

Again, as against a class whose course has been downward may be found another whose development has been constantly up-

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ward, like electric light stations, a class which thirty years ago did not exist at all. At first any old place was regarded as good enough in which to place a dynamo; if run by water power it went into some kind of a mill—flour, saw, paper—on the bank of a stream; if run by steam it was located in a factory that was in operation all day, and which then was overtaxed to furnish power for the dynamos all night; and all installations were marked by the crudity usually characteristic of an art or industry in its infancy. As a result these electric light plants burned, and the insurance companies commenced to learn something about "short circuits," "defective insulation," "crossed wires," and so on, so that their rates for risks of this class went up to $2.50 or more, and within ten years after the class had been established many companies quit writing it entirely. Then the improvements which were constantly being made by the electrical people commenced to make themselves felt; better built dynamos; larger conductors, improved insulation; and the development of scientific electrical engineering, combined to produce installations each of which was in some respect an improvement upon its predecessors both in efficiency and safety. The installation of electric light stations in connection with other manufacturing plants was abandoned, and they were placed in separate buildings designed for the purpose. At first these buildings were of non-fireproof construction, but in time the electric light companies realized that the greatest misfortune that could come to them was to have the service to their customers cut off by the burning of their central stations, because thereby their income ceased, while interest charges on investment and outstanding bonds went on without interruption. So they proceeded to erect stations as nearly fireproof as possible, with the result that today we find risks of that class written as low as 25 cents per annum, and willingly carried by companies that twenty years ago would not write the best of the class at $2.00 or more.

CHANGES IN MODERN CONDITIONS.

I have shown you how at the outset the class of a risk fixed also its rate, and you have no doubt appreciated the simplicity of that plan. It was adapted to the conditions of a day when shops and stores, and factories were of single occupancy, and in the case of the latter of single product. Multiple tenancy and multiple product were unknown; buildings were upon simple lines, and construction was of materials minimum in number, but used in a maximum of quantity for the results desired. Walls were thick; mortar was strong; bricks were well burned; timbers and beams were massive; a dwelling was a dwelling; a shop was a shop; a factory was a factory; a class meant a rate; and there was an end of it. But in the course of years, and particularly at the time we have now reached, following the close of the War of the Rebellion, great changes had taken place—continuing even to this day—in methods, materials and customs; resulting in rows of buildings where previously had stood detached or semi-detached structures; business blocks having different tenancies on each floor; factories furnishing power and space to all sorts of occupants, and a constant succession of new inventions and processes. On every side were rush, haste and waste, striving to keep pace with the rapid development of the country, and over all spread an ever-widening trail of needless, reckless, irresponsible destruction by fire, culminating in the Chicago conflagration of 1871, and the Boston fire of 1872.

The insurance survivors of those calamities were naturally drawn together in an effort to recoup their losses, and to avoid rate cutting competition, and through the National Board of Fire Underwriters State and local boards were organized and rate tariffs adopted throughout the country. These rates were flat rates fixed by the underwriters upon their judgment of the merits of the risks after cursory inspection, or quite as often, upon no inspection at all, reliance instead being placed upon insurance maps in arriving at results, which results, naturally, were inconsistent and unsatisfactory. Tariffs of that day show charges for contents to be added to rates of buildings, but the classification, instead of being in four contents groups, lists each occupancy with its proper charge by itself. Thus, the Boston tariff of 1873 lists some 375 occupancies, with their charges when contained in brick or frame buildings, respectively, with a penalty charge for Mansard roofs. Because of the dissatisfaction of the owners of the better grade risks at being rated the same as those of lower grades, and the growing conviction of the companies that such a method was inequitable, rating schedules were devised for all kinds of special manufacturing hazards, and finally came a schedule for minutely and exhaustively rating mercantile risks. This latter was developed at St. Louis in 1874, being formally put into operation by the local board of that city the following year. It started with a rate for a standard building, and added thereto charges for deficiencies in such particulars as thickness of walls, material of roof, height, area, cornices, skylights, hatchways, well holes, elevator shafts, and communication with and exposure by other buildings. The unoccupied building rate being thus determined, charges were provided for stocks of merchandise contained therein, based upon their combustibility and susceptibility to damage. This schedule provided also for rating special hazards, as well as mercantile risks. It was followed by others constructed upon similar lines in different cities, and twenty years later, or, say, 1895, there was produced by a committee of underwriters of national scope

THE UNIVERSAL MERCANTILE SCHEDULE,

under which, or its modifications, the mercantile rates of New York, Boston, Philadelphia, and other leading Eastern cities are now made. This schedule starts with a key rate for the city itself, based upon its fire department, water supply, width of streets, previous fire record, and similar features, upon which key rate is built a rate for the building unoccupied, and upon the latter in turn is built a rate for each tenant based upon the nature of his stock. It embraces some 150 items, more or less of which, but not all, will apply to a given risk. The charges for these items, with few exceptions, are fixed in cents, but sundry deductions for exceptional construction, fire appliances, or other mitigating conditions are to be computed in percentages. It results in rates that are refined to the third decimal, and it enables merchants to be shown exactly what factors enter into the makeup of their rates, with opportunity to improve the same where practicable. It is not applicable to manufacturing risks, but its principles can be readily extended to them, the chief need being a proper table of occupancy charges covering the hazards that go with manufacturing, such as boiler rooms, shavings, oils, paints, dry rooms, japanning, buffing, and so on.

THE DEAN ANALYTICAL SCHEDULE.

There is another schedule which has not been used in the Eastern States, but which has had extensive application throughout the West, which is called the "Dean Analytical Schedule." Its distinguishing feature lies in every charge being treated as a percentage of the base rate, to which each item is considered as having a definite fixed and unchanging relation; consequently, while the base rate may vary, and the percentage charges under it may amount to more or less in dollars and cents, the relations of those charges one to another will always be the same. It has been perfected for rating not only city business and brick buildings, but also for country towns and frame, and it has been more completely tested out than any other schedule so far devised.

In the two schedules last named everything is directed to rating the individual risk down to its minutest details, and their correct application calls for exhaustive preliminary surveys followed by an exacting application of the schedule charges and allowances. Now, while this undoubtedly represents the highest development of rate measurement, one may be prompted to question whether it does not also represent

AN OVERDEVELOPMENT OF THE INDIVIDUAL SYSTEM

as compared with the group system; or, going a long step further, whether the right thing is being measured at all. To explain this doubt, I must go back to the subject of present day classification, which, as already explained, undertakes to deal with each class of occupancy by name, crediting it with its premiums, and debiting it with its losses, thereby affording a ratio which, theoretically at least, indicates whether the class at large is profitable or otherwise. This theory would be all right if every risk was located, built, equipped, and conducted just like every other risk in its class, and written at the same rate, but as a matter of fact no risk in a class is precisely like any other risk in the same class, and while some may have the same rate the factors contributing to the makeup of such rates may be, and it is safe to say are, entirely dissimilar. The very best of a class are thrown in with the very poorest, and the resulting average may be grossly distorted, according to whether it is a poor risk or a good one that burns. Moreover, each company classifies and obtains results upon only that business of a class which is on its own books, and this fractional result may be altogether different from what would be shown if the total business of the class for the entire country was gotten together. And even then the resulting averages, for reasons already indicated, can have no sound fixed value because they are based upon a classification of dissimilars grouped together under one name. Right there appears to be the fundamental error in our present classifications, which are based upon what one might call the directory method.

To illustrate, suppose we have here a directory of Boston and that in it we enter against the names of the insured every premium and every loss paid by or to its inhabitants during a year. At the end of that time we will have within the covers of this book a record of the total premiums, and the total losses paid by or to the people of that city, and the ratio of the one to the

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other will enable us to say that the total business has been profitable or the reverse. But will that fact justify us in segregating our experience with the Joneses, or the Browns, or the Smiths, saying that because one shows a profit their rate may be reduced, and because the other shows a loss their rate must be increased? And if we insisted upon carrying out such a deduction, would not the unfortunates whose rates were increased be justified in claiming that our method was unfair and inequitable in that it took into account merely their family name, and did not allow for the good and the bad, the honest and the dishonest, the careful and the careless, the moral and immoral, and the fortunate and unfortunate members of their clan? And, again, will the value of results be any greater if we change our directory to one of occupations instead of surnames? The trouble would lie, and does lie, with our undertaking to throw together in our classifications as similars, units which are completely dissimilar, and whose only reason for being segregated in the same class lies in their happening to bear the same name. The whole thing strikes one as illogical, unfair and misleading, and no classification along those lines, no matter how complete and comprehensive, can produce results that will be sound and equitable.

THE REMEDY

lies, it would seem, in adopting an entirely different method of classifying risks, whereby, no matter by what name called, those having a similar degree of potential fire hazard and susceptibility to damage will be classified together. Thus, if we imagine a perpendicular scale divided into 100 degrees, there would be grouped together between one and ten those risks having the lowest hazard, and between ninety and one hundred those having the highest, with all intermediate grades provided for between. And a risk would no longer be classified as a fireproof warehouse, or a mercantile block, or a frame planing mill, but as a 5-degree, or a 50-degree, or a 100-degree risk. That, I know, is very radical, and it involves an entire readjustment of existing methods, but I see no other way of producing a uniform classification upon which rates may be intelligently predicated, so that all risks involving the same degree of fire hazard shall be charged the same rate. Such a classification would mean that risks, instead of being grouped together in name classes based upon occupancy, each standing by itself, and having no relation to the other classes as is now the case, would be classified upon horizontal planes, all the risks standing upon which would measure to the degree of that plane, no matter what the occupancy or name of such risks might be. In other words, these horizontal planes coresponding to the degrees upon the hazard scale would intersect every name class and care for the individual risks in that class according to their merits, the better ones falling upon low planes, and the worse ones falling upon high planes. Each plane would carry its rate, so that the moment the degree of hazard of a risk was fixed its rate would also be determined, and if at any time the loss ratio of the country called for either an advance or a reduction the desired result would be affected by moving the entire scale up or down against the hazard scale, so that there would be an equal distribution of the change over the entire business of the country, instead of over only one or two; or, at most, a very limited number of classes, as at present. Minimum rated groups of risks, like dwelling houses, all the members of which carry the same rate, could be assigned to their proper planes as readily as specifically rated single risks, and would participate in the same general treatment. That is the rough outline, to smooth which into a practicable and symmetrical whose would call for a vast amount of work, but that work, if properly directed and co-operated in by all, would not amount to as much as is now given to scattered and dissociated efforts, and in the end would afford equitable and acceptable results.

EXTENSIVENESS OF THE GROUP-RATE SYSTEM.

With all the intricate and exhaustive labor that is now given to the rating of the individual risk, it is surprising how extensively the group-rate still exists. For instance, in the territory under the jurisdiction of the New York Fire Insurance Exchange there are approximately 300,000 buildings, only 50,000, or one-sixth, of which are specifically rated, the other five-sixths being rated under group designations, such as "dwellings" (meaning buildings occupied exclusively for dwelling purposes by not more than two families); "stores and dwellings" (meaning buildings occupied for stores on the first floor and for nothing but dwellings above); "apartment houses" (meaning buildings in which apartments are rented to tenants whose housekeeping is conducted in their own apartments, respectively); "churches," "schoolhouses," "private stables," and so on. The 50,000 buildings which, with their contents, are individually rated are about equally divided between the mercantile and the manufacturing schedules, and they call for the computation and promulgation of some 150,000 rates per annum, at an expense of about as many dollars. Much of this expense is for passing upon what must be admitted to be very small changes in risks, the results of which very often amount to only a fraction of a cent in the rate. Yet so keen is the competition between brokers that the moment a reduction of rate, no matter how trivial, is secured, all the policies upon the risk are brought into the offices for the allowance of a return premium, although such allowance may amount to only a few cents upon, say, a $5,000 policy, and although it may not be enough to pay for the actual time involved in securing it; while on the side of the companies, the constant rewriting of policies, with all the attendant computations and changes in book entries, represent a heavy expense, which a method ought to be found of avoiding, since it apparently profits nobody.

On the other hand, it must be admitted that the educational value of these small charges, as representing errors in construction or equipment which can be avoided or remedied is very great, and possibly worth what it costs the companies in making the allowances and performing the labor involved, their reward coming in better buildings and a lessening of the fire loss. It is a fact for which I can vouch that under schedule rating in New York city—and without doubt the same is true of other cities—there has been a steady improvement in the construction of new mercantile buildings based upon the elimination therefrom of such faults as would involve penalty charges in the fire insurance rate, and that many old buildings have been improved upon similar lines. That this method of rating is satisfactory to property owners may be fairly inferred from the fact that out of 225,000 mercantile rates promulgated during five years in New York, not exceeding twenty have been appealed to the rate committee. And to the extent that schedule rating tends to produce standard buildings having only a minimum number of defects, or none at all, we find ourselves in a way to reproduce the uniform conditions of two hundred years ago, when four classes covered all the differences in building hazards, and four group rates yielded a safe and satisfactory profit. Of course, I do not mean that we can ever get back again to such simple classes and rates, but I hazard the prediction that in time there will be a reaction from the present intensely developed individualism of rates in favor of broader treatment. And for that reason I cannot say with honest belief that the best method of making a proper assessment of fire insurance rates in great cities has as yet been devised, but I feel that so far as it has gone schedule rating is the best system for the purpose, and that, whatever changes may come, the schedule principle will survive, and be the instrument whereby those changes will be carried to success.

Conference on Fire Protection and Equipment of Buildings and Cities.

At the last monthly meeting of the Philadelphia Chapter of the American Institute of Architects a conference which had been previously arranged was had with representatives of the National Fire Protection Association, the Associated Factory Mutuals, Philadelphia Fire Underwriters' Association and the chiefs of the Philadelphia building, fire department and water supply department and other experts.

In planning this conference it was the purpose to bring together all such forces as are working for the protection of life and property, the reduction of fire hazards and the betterment of building construction.

The following is a condensed report of a part of the proceedings:

The presiding officer, D. Knickerbocker Boyd, in introducing the first speaker, representing the National Fire Protection Association, said in part:

"These people have in their own practical way, by discouraging the use of combustible materials in building construction, been doing more for the conservation of our natural resources than almost any other agency. We find that when their suggestions are followed charges are reduced to a minimum, better construction is the result, and better protection of life and property is obtained. In thus placing a premium upon good construction, what they do in reality is to put a penalty upon poor construction, and it falls upon us, the architects, engineers and builders, to co-operate in this great movement by convincing those who have capital to invest that it is to their financial advantage to use only permanent materials. It behooves us, therefore, to come together in such meetings as these, and to exchange helpful suggestions,

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the published results of which will awaken the public to a livelier interest in their own welfare."

Mr. Herbert P. Onyx, the engineer of the Associated Factory Mutuals Insurance Companies, then read a paper which he had prepared for the occasion, during the course of which he said:

"The curtailment of the enormous fire losses which we have sustained in our country will not be accomplished until the subject of fire prevention and protection has received the same consideration by the general public that has been given to the stamping out of contagious diseases. Fire, like disease, has its origin in many sources; records show that fires have originated from over one hundred different causes, fully half of which can be traced directly to carelessness, whether gross or due to indifference; negligence and ignorance contribute largely to the heavy burden of fire tax which is shouldered by the public in general.

"How long would the citizens of any community tolerate a condition that would be conducive to the spreading of a contagious disease? Unfortunately the general public is not aware of the conditions existing in many buildings throughout the land, which could justly be called 'death traps,' and cause as much heartache and sorrow as the average disease epidemic—in fact, the chances of a fight for life are far less in many existing 'death traps' than they would be in an epidemic of disease.

"We are coming out of the dark ages of waste and extravagance, but while we have made wonderful progress in the various arts, sciences and industries, future generations will marvel at the extravagance that was so long tolerated by us; we will be looked upon as having burned up in thirty years $4,500,000,000, in spite of the fact that an equal amount was expended in fire protection. Here is certainly room for thought and action on our part, especially when it is considered that property destroyed by fire represents values absolutely wiped off the face of the earth, and which cannot be replaced.

"Although it would be unreasonable to assume that fire can, under all circumstances, be prevented, it has been repeatedly demonstrated, however, that where the constructive features and proper protective appliances are installed and properly looked after, the loss from fire can be reduced to such an extent that the cost of insurance is so low as hardly to become a factor in the expense account.

"The economic conditions governing the success of a manufacturing or mercantile industry today demand that the business shall not be interrupted by fire—in fact, business men are expecting more and more from their architects and engineers in this direction, and the time is at hand when the obligations of the architect and engineer to his client in the design and execution of any form of structure will not be fully discharged unless he has assured him that the means of preventing and protecting the property against fire have been thoroughly considered in the evolution of the plan.

"The National Fire Protection Association has a well organized laboratory, which is doing a wonderful work in the promotion of better standards, both in construction and in protection, and the doors are always open to you gentlemen, as it is fully realized that architects and engineers and builders are the direct medium through which the advancement in the curtailing of fire losses can be most successfully accomplished."

Mr. Onyx followed his paper by a suggestion, made more timely by the fact that the director of public safety was present in person, that organized and systematic inspections of buildings be made by members of the regular public fire departments, under direction of the bureaus of public safety, backed by proper legal authorization.

The reduction of the fire waste is the association's principal object. The making of rates by schedule and by minimum is for the purpose of securing that and to receive from the insuring public sufficient income to pay losses and to make a reasonable and only a reasonable profit in the business. During the last several years it has been the practice of many architects and builders to confer with the association on almost all buildings of importance which they have constructed. The result of these conferences has been better constructed and protected buildings and lower insurance rates. As noted by Mr. Onyx, the National Fire Protection Association is doing very valuable work. In addition to its general work it is now maintaining a publicity bureau. This bureau uses every available channel for acquainting the public with fire hazards, and its recommendations for reducing fire waste. In addition to publications of the National Fire Protection Association one of its active members—the National Board of Fire Underwriters—has published what is known as "The National Building Code," recommending that this be adopted by municipalities as their code. This has been done in some instances and in others it has been largely used, some changes being made to care for local conditions. In addition to the publications of the National Fire Protection Association and the National Board of Fire Underwriters, many insurance companies, inspection bureaus, local boards, etc., have issued pamphlets referring to the desirability of having well built and well protected structures, good housekeeping and general supervision. Inspectors visit manufacturing and mercantile establishments, warehouses and other properties for the purpose of using their influence to keep the premises in a clean and safe condition. The local association does a large amount of this work, and as a result of its efforts in this direction many standpipe and hose systems, wired glass windows, fire doors, fire shutters, fire pails, extinguishers, etc., have been provided; broken windows repaired, unsafe chimneys made safe, dirty buildings cleaned and conditions in general much improved.

"The relationship between the Bureau of Building Inspection and the association is harmonious, and it affords me pleasure to acknowledge the services being rendered to the public by this bureau. It is the desire of the association that architects, builders and the general public visit our office and confer with us in reference to the construction and protection of property and the reduction of the fire hazard."

The chairman commented upon the phase of the housekeeping situation mentioned by Mr. Kenney, and congratulated the Underwriters' Association upon being in a position to thus bring about a compulsory education in cleanliness and order—another new sphere of usefulness developed under the modern plan of cooperation.

Papers were read by Edwin Clark, chief of the Bureau of Building Inspection; John E. Codman, chief engineer of the high pressure fire service, and others.

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STATEMENT DECEMBER 31, 1909.

Resources (including Capital, $2,500,000) $7,612,718.73
Liabilities (including Reserve, $1,330,367.97)..... 1,927,36819

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Dividend-Endowment Fund (Deferred Dividends)	$2,119,044.00
Net Surplus	1,767,327.11
Insurance in Force	92,532,583.00

The Record for 1909 shows the following GAINS:

Insurance in Force	$4,164,239.00
Assets	1,917,117.00
Deferred Dividend Reserve	148,581.00
Contingency Reserve (Surplus)	655,149.17

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[FIRE]

German American

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New York

STATEMENT JANUARY 1, 1910

CAPITAL

$1,500,000

RESERVE FOR ALL OTHER LIABILITIES

8,222,018

NET SURPLUS

6,440,211

ASSETS

16,162,229

GERMANIA

FIRE INSURANCE COMPANY

Organized 1859 NEW YORK

Cash Capital	$1,000,000.00
Assets	$6,562,339.14
Net Surplus	$2,008,419.02
Surplus for Policy Holders	$3,008,419.02

HEAD OFFICE: Cor. William and Cedar Streets

The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1910	$3,470,509.30
Total Liabilities, except Capital	1,920,837.24
Capital	500,000.00
Surplus to Policyholders	1,549,672.06

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FOUNDED 1792

232 Walnut Street, Philadelphia

Assets, January 1, 1909 ..... $12,014,062.63

LIABILITIES—Reserved for Reinsurance and all other claims	$7,263,156.97	
Capital Stock	3,000,000.00	
Surplus over all Liabilities	1,750,905.66	$12,014,062.63

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EUGENE L. ELLISON, President.

T. HOUARD WRIGHT, Secretary. HENRY W. FARNUM, Assistant Secretary.

BENJAMIN RUSH, Second Vice President. JOHN O. PLATT, Assistant Secretary.

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1825. THE 1910.

Pennsylvania Fire Insurance Company

OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,349,097.67
Surplus	2,233,426.43
Total January 1, 1910	$7,332,524.10

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JOHN L. THOMSON, Vice-Pres. — HAMPTON L. WARNER, Asst. Sec.
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INCORPORATED 1851.

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UNITED STATES STATEMENT, JANUARY, 1910.

Assets	$2,877,308.37
Surplus in United States	889,268.07

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JAN 2 1911
CAMBRIDGE, MASS.

The Weekly Underwriter:

AN INSURANCE NEWSPAPER.

ESTABLISHED 1859.

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CHARLES A. JENNEY, President and Treasurer. L. ALEXANDER MACK, Secretary.

NOTWITHSTANDING complaints during the year now closing of depression in certain lines of business, it has, upon the whole, been a good year for life insurance in the United States. The leading companies have increased their takings over those of last year and its recent predecessors; lapses have been fewer; the quality of the business has been better, and a spirit of hopefulness pervades both office and field forces about the future. Much is undoubtedly due to the improvement in the working material in the field. A stronger and cleaner class of men than ever before are soliciting business, and their methods are more expeditious. Fire insurance losses have been heavier than in 1909, and investments have been affected by the unsettled condition of the stock market and its generally lower tone. If the fire insurance companies fare as well as they did last year it will be because they have been able to enforce adequate rates. In casualty and liability insurance the year 1910 has been one of readjustment and probable loss. The business has grown, but the rates are insufficient and need immediate attention by the light of the year's experience.

IT is understood that the investigation of the fire insurance business by the Legislative Committee may end this week, as some time is needed for the consideration of the evidence which the committee has heard, before it must render its report in the middle of next month. And what a mass of evidence it is—ranging from the testimony of the underwriting expert that the city of New York is in imminent danger of a sudden widespread conflagration to that of Fire Chief Croker that it is in no danger whatever, because of the efficiency of the fire department, and from the testimony of the company official that the stock companies make little profit to that of P. B. Armstrong, who avers that their profits are "vast," and that mutuals, if encouraged, would reduce rates fifty per cent.! It does not seem necessary that there should be any confusion of mind in the committee on account of this conflict of evidence. To clear-headed investigators the actual facts are clear enough. Witnesses are, of course, influenced—and with sincerity—by their interests, but where so great a number testify the truth must stand out so that all may see it. We believe that the committee will bring to its decisions the results of unbiased thought and assured conviction.

WE print a list of State fire marshals which has been made up from inquiries in the several States. While there is a national association of State and local fire marshals, it does not embrace all localities, and this list is, we believe, the first that has been published in a completed form. It will direct attention to the fact that in a large number of States this useful official does not yet exist. We hear of proposed bills in coming legislatures of some of these States for the establishment of the office. Its utility to the whole public—not merely that part interested in fire insurance—cannot be doubted. It ascertains the causes of fires, and particularly what proportion of them are incendiary, and so enables the State to act intelligently along lines of prevention or reduction toward a minimum. The disposition of legislation, however, to put the cost of the office on the fire insurance business in indefensible. The service is for the benefit and protection of the entire community, not for a particular business, and there is no more reason why fire insurance should bear the burden than that life insurance should pay the cost of maintaining public hospitals and infirmaries, because their purpose is to save life and thereby reduce the measure of mortality. When the insured pays the tax it is an unequal tax, for the benefit is equally for the uninsured.

WE had occasion to remark recently upon the development of aeroplane and aeroplanist insurance by a British company, and to suggest that anything in the way of insurance is possible in a land where underwriters at London Lloyds are unrestrained. This proves to be quite true, for now we hear of a company there which offers to "insure against wet weather" and has excited the risible muscles of the comic papers, and another—the Car and General—which offers to indemnify the citizen for loss of time should he be so unfortunate as to be drawn as a juryman. Then the London and Lancashire Life has begun to issue a special disease insurance policy by which the holder will be entitled to a large bonus in case he is attacked by a specific disease, such, for example, as lumbago, chilblains or appendicitis. One of the newest ideas, however, is the insurance of druggists against pecuniary loss arising from errors in preparing prescriptions made by principals or assistants. The Northern Equitable is doing this business, and it is also selling "opticians' indemnity insurance," which is designed to give financial protection to opticians for all errors in the adjustment of spectacles and eyeglasses. Of this kind of venture the London *Insurance Record* observes:

At first asking it would not appear to be a fruitful field of business that is here opened up, but reference to the chronicles of the law courts shows that opticians have been made defendants in several cases involving heavy claims for damages. Such cases, it has to be remembered, entail the calling of much expert evidence on both sides, and, consequently, in any case, a ruinous bill of costs is likely to be presented for settlement. In a recent suit an optician was sued for giving incorrect advice to a customer, and the action lasted three days. In the end the jury disagreed, but the costs had mounted up to a huge sum, and we have no doubt the defendant would

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have thanked his lucky stars if he had had a policy indemnifying him against damages and costs.

One cannot help wondering what would not be done in wide-open insurance in this enterprising country of ours if our insurance laws were as generous as those of our British cousins. We can imagine Val Laningham, for instance, putting out a policy insuring colored folk against being shot for lifting chickens.

Facts and Opinions.

The Insurance Commissioner of Mississippi, returning to Jackson after spending several days at Louisville with the Insurance Commissioners of Alabama, Kentucky and Tennessee considering the affairs of the **Citizens National Life insurance company of Louisville,** has issued a statement to the policyholders and stockholders of the company in which he says that he "is glad to report that a satisfactory arrangement was made. The preliminary report of John F. Roche, of New York, the joint actuary in charge of the examination, was submitted, which, while showing the company entirely solvent, also showed a large impairment of the capital stock." Commissioner Henry says:

The commissioners cited two ways in which to deal with the situation, the preferable one being the reduction in capital stock, and the other the raising of sufficient funds to cover the impairment. After duly considering the matter from all standpoints, the officers of the company, who are now working in perfect harmony, decided to reduce the capital stock from $1,000,000 to $500,000, and place the difference, which will amount to more than $200,000, to surplus funds. The stockholders have been notified of this decision, and will pass on the same at a meeting called in Louisville on January 11. As this action will place the company in a fine condition, and is the best thing under the circumstances that could be done, it is not thought there will be any serious opposition to its adoption.

Appended to the commissioner's communication is the report of the commissioners of the several States to whom he alluded, in which they say that they found serious dissensions in the executive management which have been eliminated by the sale of their stock by one of the factions, and that the present officers are men of high character. The commissioners state that they have extended the time for the completion of the examination by Mr. Roche for thirty days, in order to give ample opportunity for the new management to carry its reforms into effect.

The holiday number of the Prudential *Weekly Record* contrasts **Christmas anniversaries of the Prudential** in this language:

Many striking contrasts are presented by the facts, figures, circumstances and conditions prevailing at this Christmas of 1910 and those of the Christmas of 1875 in connection with the Prudential insurance company of America! That Christmas a generation ago greeted the Prudential as a fine, healthy two months' old baby, full of faith and hope and promise, but, of course, having next to nothing behind it in the way of things accomplished. The home office was a corner, scarcely more than desk room, in the basement of the building occupied (and still occupied) by the second bank established in Newark, N. J. The office outfit? The smallest detached assistancy in our vast territory is far better housed, furnished and equipped today to carry on business. The home office staff? It consisted of fewer persons than you have fingers on one hand. The field staff? It was scarcely born yet, was mainly made up thus far of the members of the home office and their relatives and friends. Its possessions? For the most part a single individual richly endowed with a creative and constructive mind, a clear vision, rare ability to foresee, great self confidence and resourcefulness and superb optimism—believed in and heartily sustained by a small group of earnest and efficient colleagues. Business, policyholders, assets, etc.? All, or very nearly all, yet to come from the future. Such, in brief, was the Prudential five and thirty years ago, when it celebrated its first Christmas! Lo, what a startling, striking and wonderful contrast is presented by us this Christmas! An institution possessing vast assets, having on its books a number of policies equal to about a tenth of the entire population of the United States, with a record behind it of having distributed in its lifetime more than 167 millions of dollars in death claims; having a home office system of splendid buildings, covering 2¼ acres of ground, or 94,425 square feet, and representing millions in cost and value; employing some 3,000 men and women clerks in our home office, and having a field force of over 12,000 agents in the United States and Canada—such is the Prudential, which is now celebrating its thirty-fifth Yuletide anniversary, and from a grateful heart wishes all who read this "A merry Christmas and a happy New Year."

The insurance commission form of government is to be tried in the **State of Washington** by the fire insurance companies transacting business therein. The *Pacific Underwriter* prints these particulars of the plan:

Messrs. Bernard Faymonville, vice president of the Fireman's Fund; Frank J. Devlin, manager of the Atlas, and Russell W. Osborn, manager of the Pennsylvania, the committee appointed by the Pacific Board to investigate conditions in Seattle and Washington, have returned from their trip and rendered a report. It is proposed that an executive committee shall be placed in charge of the affairs in that State, and that the direct supervision of the same shall be ceded by the board to the new commission. The commission is to consist of representatives of companies whose business is reported to San Francisco, of general agents located in Washington, and of the Washington local companies, and representatives of the companies reporting directly East. There is in connection with Washington a revisory committee of the board, which consists of Whitney Palache, of the Hartford Fire; Mr. W. H. Lowden, of the Norwich Union; Mr. A. W. Thornton, of the London, and Herbert Folger, of the German-American, and Mr. Wyper, of the London and Lancashire, which committee indorses the plan proposed by the special committee. The new commission is to have power to supervise and regulate the fire insurance business in Washington, but no board will be formed, owing to the inimical laws of that State. The local agents have indorsed the proposed plan of organization, and it is expected that the matter will take shape with the beginning of the new year. Conditions have become so demoralized, owing to underhanded practices and rate cutting and the payment of excessive commission, that the necessity for straightening out affairs became imperative. It is hoped that a unanimity of action on the part of companies can now be secured under the plan proposed.

Changes in State Insurance Department heads, recent and forthcoming, are recorded in the following tabular statement:

States.	Retiring Officials.	Successors.
Alabama	Frank N. Julian	Cyrus B. Brown.
District of Columbia	Daniel Curry	George W. Ingham.
Indiana	John C. Billheimer	William H. O'Brien.
Kansas	Charles W. Barnes	Ike S. Lewis.
Maryland	B. F. Crouse (deceased)	Emerson C. Harrington.
Michigan	James V. Barry	Marion O. Rowland.
Minnesota	John A. Hartigan	J. A. O. Preus.
North Dakota	E. C. Cooper	W. C. Taylor.
Oklahoma	Milas Lasater	P. A. Ballard.
Texas	F. C. von Rosenberg	B. L. Gill.
Utah	George B. Squires (deceased)	William Done.
Wisconsin	George E. Beedle	H. L. Ekern.
Wyoming	Leroy Grant	Robert B. Forsyth.

In Alabama Hervey W. Laird is the Deputy Secretary of State in charge of insurance affairs. In Kansas Mr. Lewis will succeed the present incumbent January 9. In Texas Mr. Gill takes office January 11. It is probable that a new appointment will be made in Michigan when the new Governor assumes office in January. The terms of the commissioners of Ohio, Pennsylvania and Tennessee expire after January 1, and there may be new appointments or reappointments.

In introducing a new policy for the **special insurance of bachelors** by a British life office, the *Policyholder*, of Manchester, England, says:

The attitude taken by the ordinary young bachelor in regard to life assurance is well known to agents and others who remember many weary hours devoted to the attempt to convince them that "now is the time" if the thing be worth the doing. With no encumbrance or responsibility beyond the necessity of providing for himself—and that is frequently undertaken by his parents—the young bachelor is easily able to salve his conscience with the reflection that he does not need insurance, and that there is plenty of time for him to do his duty in that respect when he is married or about to enter the matrimonial state. Of course, his reluctance may be founded on inability to pay premiums out of a scanty income, rather than on a selfish desire to spend money on himself. In any case, procrastination is, as in every branch of human affairs, a bad thing, and he must needs incur some disabilities under the most favorable circumstances. There is, to begin with, the question of Anno Domini to bear in mind. Every year increases the premium he must pay, to say nothing of the bonus that might have been accumulating on a with-profit policy. And even more serious is the question of health in this connection. It is im-

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possible to be sure that a healthy young man of twenty will be able to pass the doctor at twenty-five. His health may deteriorate; some constitutional defect may assert itself, and he may be rejected outright as uninsurable, or he may be called upon to pay a heavy extra premium as an under average life.

The **final meeting of the Eastern Union for this year** was held at the Downtown Club on Thursday, preceded by a meeting of the special committee of seven. There was a large attendance present, both of the old membership and the new, and the graded form of commission agreement with agents was taken up for discussion and adopted. The revisions to the constitution and bylaws were submitted and recommitted for completion. At the election of officers Frank Lock was re-elected president, Alfred E. Duncan, president of the Franklin Fire of Philadelphia, was elected vice president, George W. Burchell was re-elected treasurer and Howard De Mott secretary. There now remains the matter of the excepted territory" to be settled, after which the organization of the old 15 per cent. territory according to the new agreement will be necessary, and it is expected this work will be done by means of a committee, with the assistance of subcommittees in the large cities. The County Fire of Philadelphia and the Camden Fire of New Jersey are among the new companies elected to membership this week.

The **task before the field force of the New York Life** insurance company is discussed by President Kingsley in an open letter to the force, in which he says:

We begin the new year confronted with fewer adverse conditions than at any time since the beginning of 1906. Twelve months of opportunity lie before us. That opportunity is so nearly unlimited that we should begin the year's work as though artificial limitations had never existed. What is our task in 1911? Will it be easy or difficult? That we increased the business of the last six months of 1910 about $12,000,000 over the same period of 1909 does not mean that a corresponding increase can be kept up during the next twelve months. In the new year, if the expenses of 1910 were well controlled—as they were—we can write and pay for somewhere about $170,000,000. This would be an increase for the whole year not greatly in excess of the increase of the last six months of 1910. But let us not deceive ourselves. We have worked for six months free from the menace of Section 96. In that time we have paid for about $80,000,000. That means, if we have done our best since the first of last July, that meeting all conditions of business, good or bad, we must lift the business by something more than $6,000,000 in each six months of 1911 over the "best pace" we set at any time during 1910. That is a task that is neither simple nor easy. But we never did like tasks that were simple or easy, and that is one reason why we like the outlook for the coming year.

The author of the bill in Congress for a **National board of health**, Senator Owen, has written the following letter denying the charge of certain opponents that the bill will interfere with "medical freedom" if it becomes a law:

Answering the clipping sent me from the Cambridge *Tribune*, denouncing the Department of Health as pernicious, I reply that Senate Bill 6049, introduced by me, will not restrict the practice of medicine, will not interfere with the osteopath, the eclectic or any other school of medicine, will not interfere with the right of the individual to choose his own physician, or interfere with anybody's medical freedom. This argument is undoubtedly made by the patent medicine men who are engaged in promoting drug habits in the United States for the base purpose of making money, and dread governmental interference. The United States could have nothing to do with controlling the licenses to practice medicine. Every school of medicine has more or less merit, and no school of medicine should be permitted to dominate other schools of medicine, and no school of medicine will be permitted to dominate the National Department of Health. The department is needed to make more energetic national and international quarantine, preventing the pollution of the interstate streams, the protection of the public health through the constitutional agencies of the United States, strictly construed.

A prominent New York city fire underwriter expressed his views of insurance legislation in general as follows: "We do not know what recommendations **the Merritt investigating committee** will make to the Legislature, but it is reasonable to suppose that it will suggest something. Any legislation that is oppressive to the fire insurance companies will be most oppressive to the small companies. In a business way this will benefit the large companies, because they can adapt themselves to whatever situation arises, while the small companies, with small assets, will simply be forced out of business. A continuation of this policy will gradually force all the insurance business into the hands of the stronger companies, and this will in time make unnecessary the expensive Fire Insurance Exchange. Then there will actually be the insurance trust we have been hearing so much about of late—produced by the action of the men who are trying to make laws to crush it."

The **South Bend Life of Indiana,** which was thrown into the hands of a receiver by Attorney General Bingham of Indiana on the ground of insolvency, was a small mutual concern organized in 1907. Joseph Stout, formerly with the Mutual Life of New York in Chicago, had been secretary and manager. The assets were $45,508 at the end of last year, with insurance in force of $1,651,500. The actual mortality in 1909 was 82 per cent. of the expected, and the actual expenses was 226 per cent. of the total expense loading. The commission expense was 92.3 per cent. of the first year's premiums. The South Bend was one of the numerous small companies organized the year after the Armstrong investigation to take advantage of the prejudice aroused by that hearing and to work local sentiment.

In his address before the Association of Life Insurance Presidents at Chicago December 9, General Field Superintendent **Wilson Williams,** of the Security Mutual Life of Binghamton, N. Y., said:

There was a time when the life insurance agent's name was anathema, when men, after making failures in other lines, started out to solicit for ours. Today the statement, "I am a life insurance agent," should command the same respect that was accorded the ancient shibboleth of Rome—"I am a Roman citizen," and it is a comical reflection that those failures in other lines who drifted into ours had but a brief career. An unusual part in the selling of life insurance is played by the personality of the agent, but true and lasting success rests upon equipment for the business. The successful agent is the one who can influence others. His measure of success rests upon familiarity with the business and ability to give forcible utterance to what he knows.

The application of T. Barber, a member, to have revoked the license of the **Supreme Lodge of the Knights of Pythias** in New York State, as to the fourth class of the order's insurance business, because his dues are to be raised from $5.20 to $24.70 per month, has been denied by Superintendent Hotchkiss, who states that the new rate has been found to be the rate actuarially required to meet the benefits promised. The department would have been more inclined to revoke the license had the increase not been made. The point is made that early beneficiaries under policies of this order profited by the inadequacy of the rates by getting more than they were entitled to, while the surviving members must supply the deficiency.

In his **annual report** State Auditor Silas Barton **of Nebraska** asks that a State insurance commissioner be provided to take over the insurance affairs of the State, the official to be chosen by election. A constitutional amendment would be required. Among other things Mr. Barton said:

Our insurance laws are the patchwork of years. When a company desired to organize in the past they had a law adopted for this specific purpose. The results are an indefinite, cumbersome code. In the coming session of the Legislature we expect to have introduced as department measures only a few bills touching the most important points to be remedied, but in the interest of our State, and as our legislative period does not give the proper time for the grave consideration these laws deserve, we think it would be advisable to have a committee appointed for the purpose of codifying the insurance laws, they to report to the next Legislature.

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In view of the constant claim of the **concrete interests** for lower fire insurance rates for concrete construction, the recent collapse of a concrete building in course of construction for the Henke Furniture Company, in Cleveland, will be of interest. Practically all of the four story building, except the first floor, went down, the collapse being attributed to faulty concrete work. The sand used in the concrete was not sharp enough to hold, and the mixture crumbled when strain was put upon it. The contractors were not experienced concrete men. At the recent annual meeting of the National Convention of Concrete Users great stress was laid upon the necessity of higher standards for construction.

The seventeenth annual convention of the **Tennessee Fire Underwriters' Association** was held last week at Nashville. Resolutions were adopted indorsing a higher standard of agency qualification, an anti-rebate law and repression of unauthorized insurance. W. E. Metzger was re-elected president, with C. B. H. Loventhal, of Nashville, secretary and treasurer. Insurance Commissioner Folk took a stand in favor of better qualified agents, saying that he supported the valued policy law largely to force the companies to accept responsibility for incompetent or dishonest agents.

The Vindicator Publishing Company, of New Orleans, has issued the **Southern Insurance Directory for 1910-1911,** a volume of nearly 450 pages, containing insurance information about every State, city and town in the South. Both for the officials of all insurance companies transacting business in the Southern States and the field and local agents therein, as well as the citizens interested as policyholders in insurance, the Directory is indispensable. This is the twenty-third annual issue of the work. It is thoroughly and well done. Price, $5.

The **Association of Life Insurance Presidents** has appointed the following committee to represent it at the eleventh annual meeting of the National Civic Federation, to be held in the city of New York on January 12, 13 and 14: Robert Lynn Cox, general counsel and manager of the association; Charles A. Peabody, president Mutual Life; Haley Fiske, vice president Metropolitan Life; E. J. Heppenheimer, president Colonial Life of Jersey City; A. M. Johnson, president National Life of Chicago; J. L. English, vice president Ætna Life.

The Wisconsin Insurance Department has issued a report on its examination of the **Milwaukee Fire insurance company.** The company was found to have on August 31 admitted assets of $829,657.13, and surplus over capital and all other liabilities of $204,463.66. The examiner reports that the books were in good condition for the examination, which was begun without notice being sent to the company, and that the officials were at all times open and frank, and courteously furnished all information when requested.

An urgent call by Chairman Halle of the Western Insurance Bureau has been sent to the members of the bureau to become members of the **Western Sprinklered Risk Association,** and a number of applications have already been made. The policy will be to admit no new members to the Sprinklered Risk Association that are not members of the bureau. This will materially increase the writing capacity of the association.

The **Provident Mutual Life and Accident of Asheville,** N. C., is a new organization which will start business first along industrial lines in a short time. The original incorporators form the first board of directors, as follows: J. P. Sawyer, R. S. Howland, J. H. Tucker, Thomas MacLelland, William Farr, Robert J. MacLelland, Alexander W. Chambliss, Erwin Eberman, J. W. Kirksey and Charles G. Lee.

The *Gjallarhornet,* published at Stockholm, Sweden, reproduces a portion of some **insurance wisdom from Professor Whitney,** the actuary connected with the work of the Merritt investigating committee, and comments interestingly thereupon in part as follows:

Professor Whitney förordade publicitet och uppfostran såsom väsentliga förutsättningar för möjligheten af ett bättre samförstånd mellan allmänheten och brandförsäkringsintressena.

The case of **Thomas H. Moore against the Equitable Life** is coming to trial again soon. Moore is now serving time at Atlanta, Ga., for murdering his brother, whose life insurance benefits were made payable to the plaintiff, and at the first trial of the suit the records of his trial and conviction were admitted as evidence. The result was a mistrial. The suit is for the proceeds of the $2,000 policy.

The Mutual Life of New York is waiting for a court order to pay to **Florence Barrett,** of Cincinnati, the amount of a $3,000 policy on the life of Louen V. Atkin, who was killed at Chicago last winter. The woman claims to have been his common law wife, and also claims that he verbally assigned his insurance policy to her in the presence of witnesses.

New York city fire department is **to have a fire college,** the first of its kind in the world. Courses of study of approved methods will be laid out, and two classes of twenty-five each will graduate every six weeks. The training will be divided into four classes, to meet the needs of the various kinds of firemen in the department.

A rehearing of the **Kansas anti-trust fire insurance cases** has been asked by Attorney General Jackson, who says he has discovered new and important evidence of the existence of an agreement among companies as to the basic rate. The previous verdict in the cases was adverse to the State, whose appeal is still pending.

Having been advised by Attorney General Bingham that it would have to pay taxes on the full $1,000,000 of capital permitted by its charter, the **Reliable Life of Indianapolis** has decided to increase its paid-in stock from $125,000 to the maximum amount. Much of the increase has been subscribed for.

The name of Sol Rosenblatt, of Chicago, has been placed in nomination for one of the positions on the **directorate of the Mutual Life of New York,** as representing the policyholders. Twenty-seven directors are to be elected next June. The nomination, which was made by petition, has been filed at Albany.

The consolidation of the **Century Fire of Des Moines** and the **St. Louis Fire of St. Louis** was announced at Des Moines on Thursday. The united assets of the companies amount to $700,000, which amount it is planned to increase to $1,000,000. The details of the merger will be completed in about thirty days.

The **change of insurance officials in Wisconsin,** by which H. L. Ekern, former Deputy Insurance Commissioner, becomes head of the department, and George E. Beedle, former Commissioner, becomes deputy, will thus avoid any impairment of the efficiency of the department.

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The Western department of the Liverpool and London and Globe is **sending handsome gold watch fobs,** suitably inscribed, to all its agents who have served the company for twenty-five years and over. About sixty in the Chicago department are eligible to this honor.

The **organization of the Detroit Life** of Detroit has been completed and a $250,000 capital and surplus of $115,000 has been turned in by the promoters. The temporary officers of the company announced in October will be continued until the annual meeting in February.

The **Empire City Fire of New York** was licensed this week by the New York Insurance Department. It is a merger of the Empire City Fire and the New Amsterdam Fire, heretofore operating as joint stock concerns. The combined capital is $400,000.

The amalgamation of the **Humboldt Fire of Pittsburgh** with the Allegheny Fire, by which the Humboldt reinsures the liabilities of the Allegheny in return for its assets, has been completed. The Humboldt's capital is increased $100,000.

The **British Union and National,** which has just entered the United States for surplus lines, has appointed C. N. Pinckney, of New York; C. J. Stovel & Co., of San Francisco, and C. W. Green, of Chicago, as general agents.

The **Mutual Life of Charlotte, N. C.,** has appointed Milton McIntosh as manager at Charlotte, to succeed E. R. Ferguson, recently promoted to be manager at Cincinnati, both appointments being effective on January 2.

The stockholders of the **Fidelity-Phenix** have voted to take steps to acquire the right to write **marine insurance,** insurance for automobiles, insurance against sprinkler leakage and insurance against earthquakes.

The mayor of **Chicago** has appointed Charles Seygerlich as **fire marshal** of that city, to succeed James Horan, who, with twenty-two others, lost his life in the disastrous stockyards fire of last week.

The **Mutual Life of New York,** in continuance of its policy of the past six years, has announced its dividends for the coming year, which show a substantial increase over the figures for last year.

A **"fire prevention hazard"** was found in a New York city building not long since, in which the brass nozzles had been stolen from all the fire hose from the seventh to the seventeenth floors.

It is believed that the Merritt investigating committee **will not attempt to report on January 15,** but that it will at that time ask for an extension of time in which to formulate its report.

At the annual banquet of the Life Underwriters' Association of Rochester this week, Friday evening, Vice President **George T. Wilson** of the Equitable was one of the speakers.

The city of **Newark,** N. J., has just adopted a new and stringent **building code,** which includes many modern ideas as to safety in constructing factories and public buildings.

The Pennsylvania of Philadelphia, Equitable of Providence, Delaware of Philadelphia and Svea of Sweden are acquisitions this week to the **membership of the Eastern Union.**

The examination of the **City of New York insurance company** by the New York Department discloses admitted assets of $1,400,185.19 and net surplus of $398,961.60.

The fall in the value of securities and the rise in the December loss totals cause fire insurance companies to **complain about the results of the year's business.**

A lack of funds in the State of Washington Insurance Department is causing Insurance Commissioner Schively to send the Legislature a **typewritten copy** of his **annual report.**

Requests have been filed with the Iowa and Illinois State Insurance departments for an investigation of the affairs of the **Modern Woodmen of America.**

Peace should now prevail upon the earth, since the Texas Insurance Department has licensed the **Knights of Harmony of the World** of Waxahachie, Tex.

The latest report from Hartford is that the **condition of R. M. Bissell,** vice president of the Hartford Fire, who has been ill with pneumonia, is much improved.

The **high pressure service in New York** city is to be extended to cover all the portions of the lower East Side most congested as to population.

The **Great Southern Agency Company** of Chattanooga went into voluntary bankruptcy last week. It has been in receiver's hands since February.

The *United States Review,* of Philadelphia, has issued a **Pennsylvania Insurance Directory,** which is well worth the price—25 cents.

The Governor of **Texas** has appointed R. L. Pollard and Wallace English as the new members of the **new State Rating Board.**

Work has been started on the **new insurance underwriters' building** at Chicago, at Fifth avenue and Jackson boulevard.

The **Conservative Life of Wheeling, W. Va.,** has elected Otto Schenck president, to succeed W. M. Hodge, resigned.

The fire in **Cincinnati** last week advanced the **loss ratio** of that city for the year from 40 per cent. up to 65 per cent.

About half the entire **receipts of the British fire insurance business** comes from the United States branches.

Stockton, Cal., has a high conflagration hazard, according to a report by National Board engineers.

The most soothing words of tongue or pen are these: **"Loss fully covered by insurance."**

The **St. Louis Insurance Agents' Association** has re-elected George D. Markham as president.

The **Illinois** life insurance **rebating cases** have been continued until January 3.

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Personal.

AGENCY APPOINTMENTS.

American Central: B. C. Wherry, Jr., of Richmond, Va., special agent.

American of Newark: Ralph V. McCormick, special agent in Illinois, assisting State Agent Stuck.

Franklin Life of Springfield, Ill.: Julius Bohm, manager in Missouri, with headquarters at St. Louis.

Globe and Rutgers: W. H. Markham & Co., sole agency at St. Louis.

London Guarantee: K. E. Deal, general agent at Dayton, Ohio.

Spring Garden: G. A. Rydquist, special agent in northern Illinois.

United States Life: Florien C. Fry, manager at Indianapolis, succeeding J. N. Schoeckney.

Messrs. Adam Bemus and Frank Rothier, president and secretary of the Eureka, the Security and the Cincinnati Underwriters, have been suspended from the Cincinnati Fire Underwriters' Club for failure to make the required deposit pending investigation of charges of alleged incorrect practices. The Eureka and Security are being examined by the Ohio Insurance Department.

Mr. R. W. Miller, who has been with the Central National in Iowa, has been appointed a special agent for the Insurance Company of North America in Iowa, assisting State Agent Phelps, and succeeding J. H. Gosnell, who will now be located in Minnesota, with headquarters at Minneapolis.

Mr. Alexander James Clinton, former president of the Eagle Fire of New York, died December 26, aged eighty-five years. He was a great grandson of Major General James Clinton, of General George Washington's staff. He had been connected with the Eagle Fire for fifty years.

Mr. John Henry Morris, formerly for many years president of the Merchants insurance company of New York, died December 25, aged eighty-five years. He was appointed internal revenue collector for Westchester, Rockland and Putnam counties by President Lincoln.

Mr. Thomas C. Foster, for many years resident manager at Philadelphia of the North British and Mercantile, and latterly general agent of that company and of the Commercial Union, died at Penllyn, Pa., on December 23, from Bright's disease, aged fifty-two years.

Mr. Gustave W. Hammer, for thirty-two years associated with the Allemania Fire of Pittsburgh, and from 1889 to 1904 its secretary and treasurer, died December 23, after four years' illness from paralysis. He was a native of Prussia, and sixty-two years old.

Mr. George A. Holloway, who had been with the Hartford Fire for fifty years, died December 22 at his home in Chicago, aged seventy-one years. He had lately been engaged as an examiner in the Hartford's Western department.

Mr. Carleton E. Clutia, for three years chief clerk in the Western department of the Providence-Washington at Chicago, has been promoted to the position of assistant manager of the department, effective January 1.

Mr. Joseph J. Rafter, head of the printing department of the Prudential at Newark, has been elected president of the Broad and Market National Bank of Newark, which is to begin business January 2.

Mr. Harry H. Beck has resigned as special agent for the Providence-Washington in the mountain field, to become special agent for the Queen in Colorado and Wyoming, succeeding T. R. Fletcher.

Mr. S. T. Maxwell, for six years past connected with Trezevant & Cochran at Dallas, Tex., has been made executive special agent for the National Fire of Hartford, with headquarters at Hartford.

General Alexander Harbison, for many years in the life insurance business in Hartford, Conn., and mayor of that city from 1900 to 1902, died there on Monday night from pneumonia.

Mr. Charles L. Phillips has been sent from the home office of the United States Fidelity and Guaranty to be manager of the claim department in the Chicago branch office.

President James C. Johnson, of the Ohio Farmers insurance company of Leroy, Ohio, celebrated his ninety-second birthday this month. He is at his desk each working day.

Mr. James M. Sprague, who has been general agent for the Title Company at Cincinnati, has been appointed general agent for the London Guarantee for southern Ohio.

Mr. Julius Bohm, who has been with several different companies during the past few years, has resigned as associate general agent for the Illinois Life in Chicago.

Messrs. E. W. Poinier and F. Y. Coffin, long associated with the insurance office of Moore, Case, Lyman & Hubbard at Chicago, have been admitted to the firm.

Secretary R. E. Gooch, of the Western Reserve Life, has resigned to become manager of the John A. Kelly & Co. general agency in New York city.

Mr. Roy E. Eblen, who has been with the Oklahoma Fire, has been appointed a special agent for the Fidelity-Phenix in Oklahoma.

Mr. Jacob B. Spears, State agent in Texas for the Fireman's Fund, died December 28 at Dallas of pneumonia, aged fifty years.

Fire Marshal Philip Hurley, of Cincinnati, injured at the fire in that city on December 21, died December 29.

Casualty and Surety Insurance.

Among the **unusual accidents** of the week were these: An inmate of a hospital at Dallas, Tex., burned to death while sitting before the fireplace.

A Nashville, Tenn., woman was fatally burned when her bathrobe caught fire from the gas heater in the bathroom.

At Camden, N. J., a ferry passenger was cut about the face when his umbrella caught on the shoe of a fellow passenger on the stairway in the boat, striking his eyeglasses and forcing the broken glass into his cheek.

Cutting chocolate for a friend, a New York city girl jabbed the points of a pair of shears into her leg, severing an artery, and bled to death before medical help could be procured. She was too modest to allow her companions to tourniquet her thigh.

A Buffalo baby stumbled into a water pail and was drowned in 6 inches of water.

Stumbling over the furnace shaker a Denver man, who was walking in his cellar without a light, fell against the corner of the coalbin and broke his shoulder.

A New Orleans woman swallowed carbolic acid, then lay down with her infant's lips pressed to her own. The baby died from the absorbed fumes of the poison.

A New York hospital surgeon found that a mislodged prune stone was the cause of a distressing cough which had troubled a young lady for several months.

A Harlem man bent over to tie his shoelace, when a blood vessel ruptured and caused his death.

Becoming confused while crossing the street, a Philadelphia woman was run over by an auto, which broke the fingers of her hands and bruised her ankles, passing over her outstretched body without inflicting other injuries.

A Boston man intended to go upstairs, but turned into the descending stairway instead in the darkness, and fell the length of the stairs, breaking both arms.

The first of the many cases in court based on the **General Slocum disaster** has just been decided by the Appellate Division of the New York Supreme Court. The accident insurance company which issued the policy claimed that the General Slocum, having been chartered for a special occasion only, was not to be regarded as a common carrier, intended to be covered by their policy. The decision was in favor of the plaintiff, including also a ruling on the matter of survivorship. Justice Miller wrote the opinion for the majority, saying that as the policy was made in favor of (1) the assured's sister, and (2) in the event of her prior death to the assured legal representative, and since it is impossible to establish which perished first, the proceeds must go to the legal representative of the assured, who sued under the policy itself and not under a survivorship. The court pointed out that the intention was clearly not to provide for the heirs of the beneficiary.

A circular issued by Agency Manager H. A. Luther of the North American Accident of Chicago to his field force says, under the heading **"We've Been Stung!"**:

> It's a good rule not to write the self solicited risk. If any man—a stranger—an acquaintance—a friend of a friend of yours—comes to you for a policy—look out. I honestly believe the chances are a thousand to one that that man is studying deviltry, and he wants your company to hold the bag. Especially beware of the fellow who arranges for a policy by 'phone and wants it mailed or left somewhere with an application for him to sign and return with check. Do not obligate your company for thousands of dollars on a risk whose occupation, income and habits are unknown to you. It is not enough that he says so—you should know it is so before you have a policy issued. The same rule applies to applications sent in by mail. Make sure the man whose name is signed to the application is as he warrants. This can be done by delivering the policy in person. Be careful not to deliver a policy to a disabled man or a cripple.

Present information indicates that the **Ætna Indemnity** will survive the seismatic shock given it by the upheaval of affairs of the Northern Bank of New York this week. The assets of the company in the bank seem to have been saved, and Commissioner Macdonald of Connecticut has said that inasmuch as the controlling interest in the company may pass to other hands soon the matter of a receiver for the company will be

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held in abeyance. Under the presidency of Otto H. Kelsey the business of the company has been good, and it is stated that although the company's surplus has been wiped out, and its capital impaired to the extent of $20,000, the result of present negotiations will put the company in good condition again to continue. Mr. Robin's financial methods were eliminated from the company's conduct as soon as they were discovered, credit for which, by the way, belongs to insurance examiners and not to bank examiners.

Application for a receiver for the United Surety has been made by James H. Preston, who alleges that the company's capital is impaired and that it is insolvent. The application will be fought, since the company has been in negotiation with the Bankers Audit Company, of New York, on a proposition that the surety company shall exchange its assets for a certain number of shares of the Audit Company's stock.

The **Northern Casualty of Aberdeen, S. Dak.**, expects to start writing surety business January 2. The company will start business with $100,000 capital, and later expects to increase it to $300,000. Other casualty lines will be taken up as fast as possible. The company expects to reinsure the Northern Accident, a mutual, under the same management.

A report of the examination of the **New York Plate Glass** insurance company by the New York State Insurance Department has appeared. The company had on June 30 total admitted assets of $851,057 and net surplus of $283,916. The capital is $200,000. The report is very satisfactory.

The resignation of Babbitt & Brown, of Cincinnati, as general agents for Ohio for the industrial department of the **North American Accident**, closes the last general agency of the North American in the industrial line. The business will be supervised hereafter from the home office.

In a British case a workman who had just been discharged by his employers returned to get his tools when **a stone fell on him.** His claim for damages has been upheld by the highest court, nothwithstanding the contention of the employers that the man was no longer in their employ.

Application for a receiver for the **Enterprise Casualty of Philadelphia** has been denied by Judge Holland at Philadelphia, who announced that he would appoint a master to adjudicate the standing of claims against the company.

The executive committee of the **International Association of Accident Underwriters** will meet January 5 in this city to consider matters relating to the publicity bureau.

The accumulation feature cost the accident department of the Ætna Life an aggregate of $20,000 extra on four claims **for automobile accidents** during the past year.

On January 2 Gilbert M. Congdon, formerly secretary of the **Empire State Surety**, will go with the brokerage firm of Willcox, Peck & Hughes as surety manager.

The New Orleans Casualty and the Latin-American Life and Casualty of Lafayette, La., are **two new companies** that will apply for licenses early in January.

The **Great Eastern Casualty** will occupy the second floor of the new Hilliard Building, on John street, when that building is ready for occupancy.

The agents of the **Philadelphia Casualty** have been notified that the company will continue to write credit insurance, but at increased rates.

The Comptroller of the Currency has **approved the application** to organize the Oxford National Bank, Oxford, Ala., capital $25,000.

The **Pacific Casualty Company** will establish a department in Chicago for the handling of the business in the tributary States.

Insurance Legislation.

Connecticut.

HARTFORD, December 28.—The Connecticut Legislature will convene Wednesday, January 4, and, while the executive and legislative branches of the State Government will be of different political parties, it is expected, in view of the Republican and Democratic platforms, that there will be some legislation along employers' liability-workmen's compensation lines at the coming session. The Republican platform had this plank: "The workingmen subjected to perils not existing when our present laws were adopted should have the protection of an employers' liability law, and we pledge ourselves to the enactment of laws to meet this humane end." The Democratic platform declared that "the Connecticut Democracy favors the enactment of a workmen's compensation law for injuries."

Missouri.

Among the bills prepared by the Missouri Insurance Department for introduction in the coming session of the Legislature are these:

To limit the organization expenses of domestic insurance companies to 10 per cent. of the amount realized from the sale of the capital stock therof and to require licenses for agents selling stock of foreign corporations.

The uniform law regulating fraternal associations approved by the National Convention of Insurance Commissioners.

To prohibit agents of insurance companies from paying brokerage commissions to persons not licensed as brokers.

To require domestic surety and liability companies to deposit securities to the amount of $200,000 with the Missouri Insurance Department.

An amendment to the tax law, providing that fire insurance companies shall be credited with canceled or returned premiums actually paid.

Official Reports.

Oregon Insurance Report.

In August we printed extracts from the annual fire insurance report of the Insurance Commissioner of Oregon. The following are extracts from his new report to the Governor of the State, dated December 16, 1910. After discussing the promotion of the multitude of new insurance corporations—many for the sole benefit of the promoters—the incorporation of local companies and safeguards required of them, interinsurance concerns, and uniform laws regulating the issue of health and accident policies, Commissioner Kozer says of the proposed uniform law regarding fraternal orders:

Desirous of learning the attitude of the supreme officers of such societies as are now operating in the State toward the enactment of the proposed measure, a letter was addressed to them by me requesting an affirmative or negative expression. In practically every instance where replies have been received, the purpose is expressed of co-operating with the department to the full-

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est extent in securing the enactment of the proposed bill in its present form, though in some minor details it does not meet with the approval of all.

FIRE INSURANCE RATES.

In a number of different States during the past few years the subject of fire insurance rates has been agitated to a more or less extent. This agitation has been particularly marked in some of the Mississippi Valley States. In a few instances steps have been taken by the Legislatures to regulate or control, to a limited extent, the rates to be charged by fire insurance companies. Whether the State through summary legislation may be able to solve this complex problem, is a matter which only time can disclose, and until definite results are attained, I believe that Oregon can ill afford to experiment with a matter so vitally entering into the commercial life of her people.

In 1909 a law was enacted in Oregon prohibiting combinations by fire insurance companies or their agents for the control of the rates charged for fire insurance in the State. A comparison of the average rate per $100 charged for fire insurance per annum, covering a period of years prior to 1909, with those obtained since the law was passed, shows a very marked reduction in such average rate. This is evidence that the law is undoubtedly accomplishing the purpose for which it was designed, and that the people of Oregon, after due consideration of local conditions, and the consequent charges on account of deficiencies, are not now being charged a seemingly higher proportionate rate for their indemnity against loss by fire, than is absolutely necessary to afford the protection desired.

FIRE MARSHAL.

During the year 1909, a bill was introduced in the Legislative Assembly to create the office of Fire Marshal, whose duty would be the investigation of the cause, origin and circumstances of every fire destroying insurable property, but the bill failed of enactment. Reports indicate that in such States as now provide for officials of this character, the good accomplished in the reduction of the number of fires is evident to an appreciable degree; especially is this noticeable concerning the number of incendiary fires.

The State of Oregon is growing very rapidly, and inasmuch as it is the bounden duty of the State to make a reasonable effort to protect the persons and property of its citizens, I believe an official of this character, with proper authority, would do much toward reducing the fire waste which must ultimately have an appreciable influence upon the cost of fire protection.

LAW RELATING TO TAX ON NET PREMIUMS.

It is provided in Section 3724, of Bellinger and Cotton's Annotated Codes and Statutes of Oregon, that insurance companies shall pay a tax of two per cent, on all business transacted in the State of Oregon, less certain deductions. On account of the language of this section, a number of the companies in their annual reports have not included the entire premium contributions from Oregon policyholders, taking refuge in the claim that they are not required so to do, inasmuch as the particular manner in which some of their business is transacted does not bring it within the purview of the law. In some other States when a similar law was in force some of the companies refused to pay the taxes demanded of them by the Insurance Commissioner, whereupon that official instituted an action requiring the payment of a tax on the entire premium receipts of the companies; the courts finally held, however, that he had no authority under the law to collect the tax.

In view of this defect in our present statute, and the further fact that it was undoubtedly the intent and purpose thereof that the companies should pay a tax on the entire contributions of the policyholders of the State for contracts or policies covering in Oregon, an amendment should be immediately made to correct the existing defect. By such revision of the statute I believe that the State will profit to the extent of thousands of dollars from the tax on premiums not now reported by the insurance companies.

CODE REVISION COMMISSION.

As has been heretofore stated, the laws on the statute books of Oregon relating to insurance companies and the regulation of insurance business in the State are somewhat limited. In most part they are the laws that have been in force for more than twenty years, since which time conditions surrounding the conduct of the different classes of insurance business have materially changed. Oregon's insurance laws are inadequate and do not meet present requirements.

Inasmuch as the business of insurance is of considerable scope and much investigation, study and thought must as a consequence be given to the preparation of laws for the regulation and control thereof in this State, I deem it for the best public interest that the Governor be empowered, through proper legislation, to appoint a commission composed of five or seven qualified persons, some of whom shall be thoroughly versed in the different classes of insurance business, and the others persons of diversified business interests, for the purpose of thoroughly investigating the subject of insurance, and preparing a code of laws for presentation to the session of the Legislative Assembly convening in 1913, for consideration and enactment by that body. This course has been adopted in many of the States, and the result has been a consistent working and effective code instead of such obsolete and impracticable measures as are now in force in our State. * *

EXPENSES OF EXAMINATION OF INSURANCE COMPANIES.

Under the present laws of the State, upon formal complaint of mismanagement, or when, in his judgment, he deems it necessary, the Insurance Commissioner is authorized to make examinations of domestic insurance companies and associations. The statute, however, does not specifically provide for the payment of the expenses incidental thereto. Inasmuch as the insurance companies contribute a considerable sum in license fees and taxes to the State, it is but fair to these organizations that any expenses incident to the making of official examinations of Oregon companies be paid from the funds of the Insurance Department, and the statute should be so amended. Provision for periodical examinations of all domestic companies should also be made, for which purpose a competent examiner and actuary should be provided for the department.

The insurance departments of a number of States have been somewhat severely criticised for incurring apparently unwarranted expenses in the making of official examinations. These criticisms, however, fail to take into consideration the character of service required or the vast amount of labor involved. It is with the view of avoiding any such unwarranted criticism for the Oregon department, and in the interest of public service, that the proposed change in the law and provision for an examiner and actuary is suggested.

INCREASE OF DEPARTMENT FUNDS.

By the enactment of any portion of the proposed legislation considerable additional labor will devolve upon the insurance department, consequently provisions should be made for meeting the additional expense by increasing its annual allowance from the funds received yearly from the fees, licenses and taxes paid into the State Treasury by companies transacting business in the State.

During the present year nearly $93,000 has been received from the companies, while the department's annual allowance for salaries, expenses, etc. is limited to $10,000 of such sum. In order to meet the increasing expense incident to the growth of the business of the department, as a result of the natural growth and development of the State, this amount should be increased to at least $15,000 yearly.

Miscellany.

Hard Facts.

The following communication appeared in the *New York Times* of Wednesday:

How is it that the New York press generally, when commenting upon the business of insurance, in the majority of instances, jumbles together all classes of insurance companies, stock, fire, life, mutuals—licensed and unlicensed, reputable and disreputable? In this morning's issue of the Times we read in your editoral columns, headed "Insurance Graft," that it would "be hard to imagine meaner graft than taking insurance premiums with the knowledge that payment of losses cannot be enforced." Here you refer, of course, to unlicensed, disreputable companies, permission to whom to issue policies in the State, the State authorities alone are responsible for, because the State has the power to shut them out and does not. The statement is not even fractionally true of the smallest licensed fire company in the State, or in the United States.

In like manner the press writes glibly of fire companies making 20, 30 and 40 per cent. profit. What is the truth? Take an example easy to understand, namely, that of an average successful fire company, with say, $1,000,000 capital. A fine business in any given State for this size company would be:

Premiums, $100,000: Average loss ratio, 55 per cent. equals $55,000; expense ratio, 33 per cent., $33,000; total, $88,000, leaving profit of 12 per cent., or $12,000, on the year's premiums in the State, or 1 1-5 per cent. on the company's capital of $1,000,000,

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which has been risked many times over in the State for 1 1-5 per cent profit.

The pity of the failure of the press to distinguish between the different classes of fire and other insurance companies is that it goes on increasing the lamentable ignorance of the public as to legitimate fire companies, licensed under the law, and this ignorance is the source of the entire prejudice which prevails; causing unending trouble for every one in the business.

A word more. The profit made by the successful, or indeed any legitimate insurance company, from year to year from its investments, that is, from capital and surplus account, is no concern of the public. The capital is money put up by the stockholders, and the surplus is the slow accretion from small percentages of profit on the insurance part of the business, as already indicated, through a long course of years.

The question is: What is the showing of the fire companies as to the premiums which they collect from the people? This is the only side of the account that concerns the people.

A life company grows from $30,000,000 to over $300,000,000 in fifteen years. The most successful American fire company in the United States has never been able to reach total assets of $25,000,000 in over one hundred years.

New York, December 27, 1910. R. R. M.

Motorists and Their New Peril—They May Become Grave Risks.

(*Percy Russell, in the Insurance Spectator, of London.*)

We live in very strange times. All insurance men know how accidents are multiplying around us, and, what is equally curious and alarming, accidents entirely novel, absolute additions to, and not merely increases on previous perils, which might be somewhat due to increased population. Thus aviation already has cost many lives, and that, be it noted, not simply among aviators themselves, but among others, who had no notion of flying, and merely came to look on. So it is with many other matters, all however, connected with that great feature of the present age—mechanical progress—which is playing havoc with life and limb, and is also causing such strain on nerves as to induce widespread neurasthenia.

The immediate matter here referred to is motoring. It will not have escaped observation that lately there have been many disasters through swerving motors and the like, and in some instances bad steering has occurred in the cases of those who not only seemed but were skilled drivers. Now what is the cause of this? These sudden failures of nerve and judgment on the part of experienced chauffeurs, or of owners themselves, who enjoy driving, have lately led to grievous fatalities in the case of persons knocked over by motors running irregularly; and motorists themselves have suffered severely through being ejected from their cars very much as a bolt from a cannon.

Well, the explanation has now been discovered and a consensus of medical opinion has recently appeared showing what is the cause of these hitherto mysterious fatalities.

Everybody knows that, after all, the motor was invented to go fast, to emulate the ordinary passenger train, and everybody knows, too, that this rapid passage through the air means the inhalation of an extra amount of oxygen. That equivalent to taking oxygen, as administered sometimes to the dying, means living too rapidly, and involves the need for a repetition of the stimulant, so that the motorist, like a drug drinker, gets more and more enamored of his or her intoxication with atmospheric air, and so becomes, in effect, a drunkard on oxygen.

Now, for the young, perhaps no great harm might result, although too much oxygen is calculated to involve a great waste of living tissue, through the inward combustion being much too great.

But now comes the all-important point. We inhale oxygen in order to live, but we also exhale carbonic acid gas, the result of inhaling, and unless we get rid of all that has resulted from our previous inspirations, we simply get more or less poisoned by what is left of the carbonic acid gas. But, unfortunately, swift passage through the air, favorable to taking in oxygen, is the reverse to expelling the carbonic acid gas, and the faster we rush through the air, the more of that deadly gas is mixed with our blood. It is this that induces the sleepiness of which so many motorists speak after more than an hour or two of express speed through the air; it is this poison that clouds their judgment and renders them liable to suddenly do exactly the wrong thing when something unexpected occurs; and, in a word, it is this that is the true cause of most of the otherwise unaccountable accidents of which we hear far too often. Even if accident is escaped, the motorist, going habitually fast and indulging in the practice very often, is certain to injure his or her health most seriously, and thus many lives that are passed as very good by the insurance doctor, after a few years, simply through motoring, may, and frequently do, become completely impaired and are converted into grave risks.

A List of State Fire Marshals.

Below we print a correct list of all the State fire marshals in the United States at the present time, which we have compiled from correspondence with the respective States. A number of State legislatures will be asked this winter to create the office, as the effectiveness of the work of the fire marshal's office is recognized generally. The list is as follows:

States.	Fire Marshals.	Addresses.
Alabama	Lorrie Rice	Montgomery.
Alaska	None	
Arizona	None	
Arkansas	None	
California	Charles Towe	San Francisco.
Colorado	None	
Connecticut	Discontinued; State police in charge.	
Delaware	None	
District of Columbia	Philip W. Nicholson	Washington.
Florida	None	
Georgia	None	
Idaho	None	
Illinois	Charles J. Doyle	Greenfield.
*Indiana	None	
Iowa	None	
Kansas	None	
Kentucky	W. F. Nukirk	Louisville.
Louisiana	B. P. Sullivan	New Orleans.
Maine	Beecher Putnam, ex-officio	Augusta.
Maryland	Thomas J. Ewell	Baltimore.
Massachusetts	J. H. Whitney (also Chief of Dist. Police)	Boston.
*Michigan	None	
Minnesota	Charles Keller	St. Paul.
Mississippi	J. W. Miller (also Deputy Ins. Com'r)	Jackson
*Montana	None	
**Nebraska	C. A. Randall	Lincoln.
Nevada	None	
New Hampshire	None	
New Jersey	None	
†New Mexico	None	
New York	None	
††North Carolina	J. R. Young, ex-officio	Raleigh.
*North Dakota	None	
Ohio	John W. Zuber	Columbus.
Oklahoma	None	
*Oregon	None	
*Pennsylvania	None	
Rhode Island	None	
South Carolina	B. A. Wharton	Cross Hill.
South Dakota	F. A. Craft	Mitchell.
Tennessee	A. H. Tipton	Elizabethton.
Texas	Harry L. Wright	Austin.
Utah	None	
Vermont	None	
Virginia	None	
Washington	None	
West Virginia	Charles A. Ellison	Charleston.
Wisconsin	None	
Wyoming	None	

* Effort will be made to have 1911 Legislature create office of fire marshal.

** The Governor is the Fire Commissioner ex-officio; Mr. Randall is his appointee in charge of the department as deputy fire commissioner.

† Statehood during 1911 may provide for a fire marshal.

†† The Insurance Commissioner is fire marshal ex-officio; W. A. Scott, of Raleigh, is deputy in charge of the work.

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The Fire Insurance Investigation.

Hearings were resumed by the committee on Tuesday, when Franklin H. Wentworth, of Boston, secretary of the National Fire Protection Association, spoke of the annual fire waste of $250,000,000 as a national crime. The people feel it without yet being awake to its cause. Their awakening is retarded by the foolish notion that the insurance companies pay this colossal tax. But how could they—and remain solvent? They are mere collectors and distributors of that portion of this tax which is represented by their policies. Half of it they never touch; it falls upon the householder direct. San Francisco and Chelsea do not pay for themselves. You in New York and we in Boston help pay for them. And next year San Francisco and Chelsea, risen from their ashes, may help pay for New York and Boston. There is but one way in which we can escape the periodical paying for one another, and that is for us both to begin rational building construction and then protect what we have builded against fire.

Frank R. Chambers, chairman of the insurance committee of the Merchants' Association of New York, told the committee that this city spends annually about $8,000,000 for fire extinguishment and $15,000 for fire prevention. Incidentally he attacked Fire Chief Croker by saying that he cared more for the spectacular putting out of fires than for preventing fires. Mr. Chambers said that it had been demonstrated that the automatic sprinkler is the one scientific method of preventing the spread of a fire. He expressed the opinion that licenses by the State for brokers would be ridiculous.

Mr. Simon Brentano, the publisher, who is an authority on fire departments, defended Chief Croker, who, he said, appreciated fire prevention as highly as anyone. Mr. Brentano declared that the Fire Insurance Exchange, working as it does under many disadvantages, is a great agency for conservation and prevention. Fire insurance companies should not be compelled to maintain laboratories and salvage corps. They should be paid for by the city. The public should be educated to appreciate a fire marshal law and a standard building code.

Charles H. Israel, an architect, wanted laws passed restricting under heavy penalties the jerry builder, and Powell Evans, a Philadelphia merchant, thought that the State should have a word in making the rates, because the public pay them.

On Wednesday Fire Chief Croker testified that the New York city fire department is in a high state of efficiency. All it needs are a few more companies. Cellars are the principal cause of fires that originate in tenement and apartment houses. These cellars are stuffed with inflammable rubbish of every description. The tenants go there with lighted candles, or matches, and when they depart, he added, the result requires the attention of the fire department. There should be properly protected light in every cellar, which should also contain a sprinkler protection. Inside stairways to cellars should be prohibited, and the first floor above every cellar should be fireproof.

In order to reduce the possibility of fires to a minimum Chief Croker urged the prevention of the construction of frame buildings and skyscrapers. A fire in a building over seven stories in height, he said, cannot always be fought successfully. It is impossible to get at the fire from an effective point. Fire towers cannot be built higher than they are now. He did not think that the high values district of the city is menaced by a disastrous conflagration. The efficiency of the fire department would prevent it.

Frank W. Jenness, of Syracuse, manager for the New York State Fire Underwriters' Association, explained the causes of the differences in rates in up-State cities, and Charles C. Smith, secretary of the German American Fire, attributed the great fire waste to the faulty construction of buildings. There are many factories in this city where conditions are worse than in the one in Newark, where the recent holocaust occurred.

John W. Meade, a vestryman of St. George's Church at Flushing, L. I., complained at Wednesday's hearing that the fire insurance companies levied excessive rates on churches. They knew that the churches must have insurance, and took advantage of them.

P. B. Armstrong appeared on behalf of the mutuals, and said that they insured risks 50 per cent. cheaper than stock companies. It was all balderdash for the officials of stock companies to say there is no profit in fire insurance. There is a vast profit in it. Give us laws to enable us to organize mutuals and we shall have reasonable rates.

On Thursday Fire Marshal Beers told the committee that from 13 to 15 per cent. of all fires in Manhattan are of incendiary origin. Mr. Beers recommended the establishment of a State fire marshal, the licensing of brokers and adjusters by the State. Adjusters work on a percentage basis, said Mr. Beers, and often a $60 fire reached the schedules as an $800 or $900 claim.

Manager Willis O. Robb of the Fire Insurance Exchange asked to testify to the committee regarding complaints of changes in rates. He said that when schedule rating went into force and was applied to the properties in question the rates on them went up. An increase of rates charged in several of the complaints was due to the changed condition of occupancy and communication. In several cases the added cost to insurance was the result of a more careful inspection of the exposure of the property.

Fifty Years of Life Insurance Progress.

Mr. Frederick L. Hoffman, statistician of the Prudential Life insurance company of America, delivered the presidential address in behalf of the American Statistical Association in St. Louis, on Wednesday evening, December 28, on the subject of "Fifty Years of Life Insurance Progress."

After calling attention to the fact that in 1860 there were only forty-seven legal reserve life insurance companies in active operation, having 60,000 policies in force, for $180,000,000, Mr. Hoffman pointed out that by 1909 the number of companies had increased to about 200, the number of policies, including industrial, to about 28,000,000, and the amount of insurance to about $15,500,000,000. Mr. Hoffman discussed the average size of ordinary and industrial policies, and the amount of ordinary insurance per capita, which had increased from $6.69 in 1860 to $157.24 in 1909; also the amount of industrial insurance per capita of white population, which had increased from $2.96 in 1885 to $37.29 in 1909. For the State of New York the per capita of industrial and ordinary insurance combined, in 1909, was $278, for New Jersey $265, for Pennsylvania $222, and for Massachusetts $259. Considering only the last decade, the total amount of insurance in force increased at the average annual rate of 9.9 per cent., while the corresponding annual increase in the total population was 2.1 per cent., in savings bank deposits 7 per cent., in foreign trade 3.6 per cent. and in national bank deposits 9.4 per cent. The relative increase in industrial business during the last decade had been at the rate of 13 per cent. per annum.

Mr. Hoffman discussed in some detail the amount of new insurance written; the proportion of whole life and endowment policies, and of participating and non-participating business; the accumulations of life insurance companies, and the distribution of investments at different periods of time; the income from different sources, the disbursements for claims, paid-ups, surrenders, expense, taxes, dividends, etc. The speaker showed that on ac-

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count of taxation life insurance companies in 1860 paid out 0.78 per cent. of the premium income, against 2.15 per cent. in 1909.

He further discussed policy terminations, the expense rate, interest earnings, death rate, gain and loss exhibit, and comparative premium rates in 1909 and fifty years ago. In addition the speaker referred to the amount of foreign business transacted by American companies, tropical and semi-tropical rates, extra premium rates, benefits payable under industrial policies, fraternal insurance, savings bank insurance, and finally, the total amount of legal reserve insurance throughout the world. According to the best available returns for 1908 the amount of ordinary insurance in force in the principal countries of the world was nearly $23,000,000,000, and of industrial insurance $4,500,000,000. The number of ordinary policies in force, exclusive of annuities, was 16,000,000, and the number of industrial policies nearly 60,000,000.

Aside from the foregoing discussion, Mr. Hoffman briefly outlined the previous considerations of insurance at statistical congresses, emphasizing the need of a more qualified consideration of the statistical aspects of insurance as an important branch of economic and social science. The address will be printed in full, including the returns for 1910, with many tables and historical references, by the American Statistical Association at Boston.

Not Discrimination.

(Rough Notes.)

Erect an unburnable building—such as only the capitalist can afford to build—and what? If the owner carries any insurance, whatever premium he pays seems like a gratuity to the underwriters.

Erect a nearly unburnable building, one from which almost all possible hazards from fire have been eliminated, a building usually classed as fire-proof; then let the owner apply for insurance and what follows? Why the inspector measures up all remaining fire hazards he can discover, applies the schedule, the same as he applies it to all risks on which he measures rates; and, finding very few, he makes a very low rate—the true rate for the building. This rate may be as low as 90 cents per $1,000 of the risk that some slight defect in the building calls for. This, however, seems extraordinarily low when compared with ordinarily, fairly well built buildings of the same capacity, but such as New England mutual companies usually discard from their schedules. But when compared with the rates of these mutuals for like constructed buildings, of which they write thousands, the rate of 90 cents or $1.00 per $1,000 of risk is found to be no lower than New England mutual rates, and many of these low-rated risks are written, by choice of their millionaire owners, in joint stock companies, to avoid the risk of possible premium note assessments. But, by chance, one of these nearly fire-proof buildings burns, or rather its contents are destroyed by fire, causing great loss to its owners, who are promptly indemnified by its underwriters; and then, what follows? Why, naturally there comes the publication of losses, the payments of same, naming individual companies, amounts paid by each and the rates at which the risk was written, all of which seemss good to the publishers. Not, however, so to the public that is promptly informed by a class of yellow newspapers, published throughout the West, that the low rate of nine-tenths of one per cent. was a discriminating rate, a discrimination in favor of the millionaire class, whose insurance carried by joint stock companies, below cost, is a heavy charge upon the less wealthy classes of insured, making the rates of the latter excessively high; and with this libelous false charge an appeal to prejudice is coupled with a call for combination on the part of the public to resist stock companies' rates, to insure in the mutuals and, by all means, not excluding State interference, to destroy the alleged unholy alliance formed by the extortionate joint companies.

Bad Fire Risks.

(Fireman's Fund Record.)

Nice big farmhouses from which the family have moved to town, leaving them as camps for hired men, without watchful wives and mothers to smell smoke and care for stoves, lamps and candles. The hired men are careless, absent most of the time, and fire occurs.

Unoccupied dwellings outside of the police protection of cities or towns, slept in once in a while by caretakers, which, by the way, is not dwelling occupancy unless approved by the agent. They are open to tramps, subject to carelessness of boys and like the family-deserted farm dwelling, are hazardous risks.

Ex-factory buildings that may have cost thousands of dollars, but which, with their machinery removed, have been purchased for a few hundred dollars and converted into barns and warehouses. Such buildings are liable to be overvalued and insured for more than they are worth.

Stocks of merchandise purchased at assignee's sale for 65-cents-on-the-dollar invoice, and insured at 85-cents-on-a-dollar invoice, because the insured got a bargain. Careful consideration of the property as to present cash value from an insurance point of view is necessary.

Long distance over the hills and far away from the agency risks, on which the commission will not pay the agent for surveying them, and the amount of premium will not warrant the expense of the special for inspecting them. When insured "unsight, unseen," as boys swap pocket knives they are often sold (by fire) in a manner that causes the local agent to think the company carrying the business may also have been sold.

Property that has outlived its usefulness, that is unoccupied, that is not adapted for the purpose for which it was intended, that is overvalued, that is offered at forced sale, or that is at a distance from the agency, should be avoided; or, if written after full knowledge of the facts pertaining to it have been obtained, the amount of insurance thereon should be based upon commercial cash values, instead of upon the cost of replacement, and rates should be made to cover the hazard.

In betting $1,000 under a policy of insurance against $7.50 premium or any other amounts, unsatisfactory losses can often be avoided by keeping an eye on the possible amount of loss instead of on the small amount of premium. It is also an excellent plan in such cases to carefully examine the other fellow's stake before accepting the bet.

Losses under the conditions stated are not necessarily criminal; they can arise from legitimate carelessness that would not occur if the insurance was 70 or 75 per cent. of the commercial value, instead of the commercial value being less than 75 per cent. of the insurance.

London Assurance Corporation,
CHARTERED A. D. 1720.

Surplus in United States January 1, 1907, - - $650,599.91
Surplus in United States January 1, 1908, - - 618,474.17
Surplus in United States January 1, 1909, - - 649,969.70

CHAS. LYMAN CASE, Manager.
84 William Street. New York.

SAFETY FUND INSURANCE.
NIAGARA
Fire Insurance Company
OFFICE: 135 & 137 BROADWAY. OF NEW YORK.

HOME OFFICE, MILWAUKEE, WIS.
IT PAYS TO ADVERTISE
It Pays to Answer Advertisements:
Provided you read them for information and not pastime. It will pay you to investigate this one.
CAPITAL AND SURPLUS - - - - - $875,000
RUPERT F. FRY, President

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The Best Paid Hard Work in the World

Life Underwriting has been described as **"The Best Paid Hard Work in the World,"** and, consequently, one of the most remunerative vocations in which anyone without capital can engage.

The Equitable Life Assurance Society of the United States

has several openings for men who possess organizing ability and who can work up a business from territory at present inadequately developed. Plenty of hard work and commensurate remuneration to those who possess the necessary qualifications.

Address:

GEORGE T. WILSON,
2nd Vice President,
120 Broadway, New York

FIDELITY-PHENIX
FIRE INSURANCE COMPANY
OF NEW YORK

The FIDELITY-PHENIX is a powerful company.

Its power is used in the interests of the agents — not against them.

Help the company that helps you

HOME OFFICE: 46 Cedar St., New York
WESTERN OFFICE: 205 La Salle St., Chicago
HENRY EVANS, President

"The Leading Fire Insurance Company of America."

Incorporated 1819. Charter Perpetual.

Cash Capital	$4,000,000.00
Cash Assets	18,062,110.33
Total Liabilities	7,999,405.99
Net Surplus	6,062,704.34
Surplus as to Policyholders	10,062,704.34
Losses Paid in 91 Years	119,451,567.10

WM. B. CLARK, President.
W. H. KING, Vice President.
HENRY E. REES, Secretary.

A. N. WILLIAMS, E. J. SLOAN, E. S. ALLEN, GUY E. BEARDSLEY, W. F. WHITTELSEY, JR., "Marine," } Assistant Secretaries.

WESTERN BRANCH, Chicago, Ill.
THOS. E. GALLAGHER, Gen. Agt.
L. O. KOHTZ, Asst. Gen. Agt.
J. S. GADSDEN, Gen. Agt. "Marine."

NORTHWESTERN BRANCH, Omaha, Neb.
WM. H. WYMAN, Gen. Agent. W. P. HARFORD, Ass't Gen. Agent.

PACIFIC BRANCH, 514 California St., San Francisco, Cal.
E. C. MORRISON, Gen. Agt.
A. G. SANDERSON, Asst. Gen. Agt.

INLAND MARINE DEPARTMENT,
CHICAGO, 159 La Salle St. NEW YORK, 95 and 97 William St.
BOSTON, 70 Kilby St. PHILADELPHIA, 226 Walnut St.

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NATIONAL POLICIES SATISFY THE PUBLIC

NATIONAL CASUALTY DETROIT

NATIONAL CONTRACTS SATISFY THE AGENT

Territory open. Write for terms.

THE CONNECTICUT MUTUAL

That means the best life insurance to have and the best to sell. If you can sell life insurance, you can sell more of it for the CONNECTICUT MUTUAL.

Men of character and ability are invited to apply.

CONNECTICUT MUTUAL LIFE INS. CO., Hartford, Conn.

Please mention this paper

1860 50TH YEAR 1910

HOME LIFE INSURANCE COMPANY

OF NEW YORK.

GEORGE E. IDE, President

ASSETS, $23,626,018.63 LIABILITIES, $21,858,691.52 (Including Deferred Dividend Fund)

Dividend-Endowment Fund (Deferred Dividends)	$2,119,044.00
Net Surplus	1,767,327.11
Insurance in Force	92,532,583.00

The Record for 1909 shows the following GAINS:

Insurance in Force	$4,164,239.00
Assets	1,917,117.00
Deferred Dividend Reserve	148,581.00
Contingency Reserve (Surplus)	655,149.17

OLDEST IN AMERICA STRONGEST IN THE WORLD

The Mutual Life

Insurance Company of New York

Mutual Life Agents Make Most Money Because Mutual Life Policies Sell Most Freely

For terms to producing agents address:

GEORGE T. DEXTER, 2d Vice-President,

34 Nassau Street, New York, N. Y.

[FIRE]

German American

Insurance Company

New York

STATEMENT JANUARY 1, 1910

CAPITAL

$1,500,000

RESERVE FOR ALL OTHER LIABILITIES

8,222,018

NET SURPLUS

6,440,211

ASSETS

16,162,229

GERMANIA

FIRE INSURANCE COMPANY

Organized 1859 NEW YORK

Cash Capital	$1,000,000.00
Assets	$6,568,289.14
Net Surplus	$3,008,419.02
Surplus for Policy Holders	$3,008,419.02

HEAD OFFICE: Cor. William and Cedar Streets

The Agricultural Insurance Company of Watertown, N. Y.

ESTABLISHED 1853.

Assets, January 1, 1910	$2,470,509.30
Total Liabilities, except Capital	1,920,837.24
Capital	500,000.00
Surplus to Policyholders	1,549,672.06

F. F. BUELL, Special Agent, Troy, N. Y.

Provident Life and Trust Co.

OF PHILADELPHIA.

The Provident has been particularly distinguished for the development of a highly trained force of agents. The systematic instruction which its agents receive has resulted in their being recognized as representatives of exceptional knowledge of the business and of marked efficiency.

Insurance Company of North America

FOUNDED 1792

232 Walnut Street, Philadelphia

Assets, January 1, 1909 $12,014,062.63

LIABILITIES—Reserved for Reinsurance and all other claims	$7,263,156.97	
Capital Stock	3,000,000.00	
Surplus over all Liabilities	1,750,905.66	$12,014,062.63

Agents in all the principal towns and cities.

EUGENE L. ELLISON, President.

T. HOUARD WRIGHT, Secretary. HENRY W. FARNUM, Assistant Secretary.

BENJAMIN RUSH, Second Vice President. JOHN O. PLATT, Assistant Secretary.

Surplus to policyholders, $4,750,905.66.

Offices in New York: Fire, 51 William St.; Marine, 63 Wall St.

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HOME OFFICE OF THE

Metropolitan Life Insurance Co.

INCORPORATED BY THE STATE OF NEW YORK

The Company OF the People, BY the People, FOR the People.

PROOF OF PUBLIC CONFIDENCE

This company has more premium paying business in force in the United States than any other Company, and for each of the last 16 years has had more New Insurances accepted and issued in America than any other Company.

The number of Policies in force is greater than that of any other Company in America, greater than all the Regular Life Insurance Companies put together (less one), and can only be appreciated by comparison. It is a greater number than the Combined Population of Greater New York, Chicago, Philadelphia, Boston, St. Louis, Cleveland, Cincinnati, San Francisco, Pittsburg, Baltimore, New Orleans and Buffalo.

ASSETS.

Municipal and R. R. Bonds and Stocks	$123,346,161.39
Bonds and Mortgages	105,183,172.02
Real Estate	23,311,215.72
Demand Loans on Collateral	172,930.00
Cash	5,420,643.42
Loans to Policyholders	11,193,245.61
Premiums, deferred and in course of collection (net)	5,190,288.45
Accrued Interest, Rents, etc.	3,290,211.85
Total	$277,107,868.46

LIABILITIES.

Dividends payable in 1910	$6,938,793.66
Reinsurance Fund and Special Reserves	237,213,384.00
All other Liabilities	3,053,470.82
Capital and Surplus	29,902,219.98
Total	$277,107,868.46

Largest Office Building in the World—Madison Avenue, Fourth Avenue, 23d Street and 24th Street, New York City.

SIGNIFICANT FACTS

This Company's Policy-claims paid in 1909 averaged in number one for every 63 seconds of each business day of 8 hours each and in amount $140.81 a minute the year through.

THE DAILY AVERAGE OF THE COMPANY'S BUSINESS DURING 1909.

456 per day in number of Claims Paid.

6,535 per day in number of Policies placed and paid for.

$1,463,755 per day in New Insurance placed and paid for.

$183,408.75 per day in Payments to Policyholders and addition to Reserve.

$139 172.73 per day in Increase of Assets.

OFFICERS

JOHN R. HEGEMAN	President
HALEY FISKE	Vice President
GEORGE H. GASTON	2d Vice President
GEORGE B. WOODWARD	3d Vice President
FRANK O. AYRES	4th Vice President
F. F. TAYLOR	5th Vice President
JAMES M. CRAIG	Actuary
STEWART L. WOODFORD	Counsel
WM. J. TULLY	General Solicitor
FREDERICK H. ECKER	Treasurer
WALTER STABLER	Comptroller
JAMES S. ROBERTS	Secretary
JOHN R. HEGEMAN, Jr.	Asst. Secretary
J. J. THOMPSON	Assistant Secretary
T. R. RICHARDSON	Assistant Secretary
GEORGE B. SCOTT	Assistant Secretary
FREDERICK A. BETTS	Assistant Secretary
GEORGE C. PENHALLOW	Asst. Secretary
THOMAS H. WILLARD, M. D.	Med. Direct.
AUGUSTUS S. KNIGHT, M. D.	Med. Direct.
W. S. MANNERS, M. D.	Asst. Med. Direct.
E. M. HOLDEN, M. D.	Asst. Med. Direct.
D. M. GEDGE, M. D.	Asst. Med. Direct.

I. J. CAHEN.....Manager Ordinary Dept.
LEE K. FRANKEL, Ph. D..Mgr. Indus'l Dept.
J. BERGEN OGDEN, M. D..Asst. Med. Direct.
JACOB CHADEAYNE..Mgr. Interm'd'e Branch

Paid to Policyholders since Organization, plus the Amount now invested for their Security, $537,223,528.83.
Number of Policies in Force, 10,621,679. Amount of Outstanding Insurance, $2,041,951,700.00.

Prosperously Busy!

Our agencies are steadily increasing this year's lead over the figures of our high record in 1909.

Our agents are prosperously busy. With Business Life Insurance and our unequaled Continuous Monthly Income policy they are reaching and satisfying the public and liberally rewarding themselves.

Inquiries invited from *delivering* producers.

GEORGE D. LANG, Superintendent of Agencies

MASSACHUSETTS MUTUAL LIFE INSURANCE CO.

SPRINGFIELD, MASSACHUSETTS

INCORPORATED 1851

National Life Insurance Co.

MONTPELIER, VERMONT.

Established in 1850. Operating in 36 States.

JOSEPH A. DEBOER, President.

FRED A. HOWLAND, Vice-Prest. OSMAN D. CLARK, Secretary.
JAMES B. ESTEE, 2d Vice-Prest. H. M. CUTLER, Treasurer.
A. B. BISBEE, Med. Director. C. E. MOULTON, Actuary.

This Company held January 1, 1910, and gained during the past decade:

ASSETS,	$47,490,998.98	- Gain, 167%
LIABILITIES,	41,661,130.12	- Gain, 162%
SURPLUS,	5,829,868.86	- Gain, 211%
INSURANCE,	161,422,115.00	- Gain, 79%

ABSOLUTE SECURITY AND ECONOMY OF MANAGEMENT

J. G. WALKER, President.
T. WM. PEMBERTON, 1st Vice-Pres. W. L. T. ROGERSON, 2nd Vice-Pres.
E. D. HARRIS, Secretary.

Organized 1871.

Life Insurance Company of Virginia

HOME OFFICE, RICHMOND, VIRGINIA

The OLDEST Southern Life Insurance Company.
The LARGEST AND STRONGEST Southern Life Insurance Co.
The PIONEER Southern Industrial Life Insurance Company.

Its policies are clear and definite in their provisions, and their values are absolutely guaranteed.

Assets, December 31, 1909	$5,872,691.99
Liabilities, December 31, 1909	4,312,405.32
Insurance in force December 31, 1909	68,337,613.00
Total payments to policyholders since organization	9,820,412.49

Why Depend Upon Accident or the Caprice of some one else for advancement? Take up a work that will allow your abilities full scope. Sell Life Insurance for The Prudential.

Write us about an agency.

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA.

Incorporated as a Stock Company by the State of New Jersey.

JOHN F. DRYDEN, President Home Office, Newark, N. J.

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PHOENIX

ASSURANCE COMPANY, LIMITED, OF LONDON
(ESTABLISHED 1782)

LOSSES PAID, OVER - - - - $200,000,000

HEAD OFFICE FOR THE UNITED STATES
47 CEDAR STREET, NEW YORK CITY

A. D. IRVING, JR., SECRETARY — LOUIS P. BAYARD, PERCIVAL BERESFORD — JOINT MANAGERS

JUST WRITE
Today If Possible
To See What
HARTFORD LIFE
Will Do For You
ALL FORMS OF POLICIES
Hartford, Conn.

1825. THE 1910.
Pennsylvania Fire Insurance Company
OF PHILADELPHIA

Cash Capital	$750,000.00
Reinsurance and all Liabilities	4,349,097.67
Surplus	2,233,426.43
Total January 1, 1910	$7,332,524.10

R. DALE BENSON, Pres. — W. GARDNER CROWELL, Sec.
JOHN L. THOMSON, Vice-Pres. — HAMPTON L. WARNER, Asst. Sec.
WM. J. DAWSON, Sec. Agency Dept.

INCORPORATED 1851.
Berkshire Life Insurance Company
OF PITTSFIELD, MASS.
All Policies issued by the Company are subject to the Massachusetts Non-Forfeiture Law.
JAMES W. HULL, President.
W. D. WYMAN, Vice-Pres. and Treasurer. — J. M. LEE, Actuary.
THEO. L. ALLEN, Sec. — ROBT. H. DAVENPORT, Asst. Sec.
Agencies in all the principal cities of the United States.

BRITISH AMERICA ASSURANCE CO., INCORPORATED 1833.
Head Office: TORONTO, CANADA.
UNITED STATES BRANCH.
JANUARY 1, 1910

Assets	$1,556,740.94
Liabilities	902,438.61
Net Surplus	$654,302.33

HON. GEO. A. COX, President. — W. R. BROCK and JOHN HOSKIN, K.C., LL.D. — Vice Presidents.
W. B. MEIKLE, General Manager.

Equitable Accident Company
161 DEVONSHIRE STREET, BOSTON, MASS.
"THE COMPANY THAT WORKS WITH YOU"

CAPITAL,	$100,000.00
SURPLUS TO POLICYHOLDERS,	182,372.07

Accident and Health Insurance
Commercial and Industrial Departments
Attractive Policy Forms—Liberal Commissions
WM. H. JONES, General Manager

QUEEN
Ins. Co. of America.
NEW YORK.

To Agents and Brokers!
Are you familiar enough with the new Liability Laws to advise and protect your clients' interests? We will gladly send any information on request.

The Philadelphia Casualty Company
WALTER LE MAR TALBOT, President
Personal Accident, Health, Liability, Automobile, Plate Glass and Credit Insurance.

Federal Life Insurance Co.
ISAAC MILLER HAMILTON, President
CHICAGO

Capital, Surplus and Reserves	$2,500,000
Insurance	17,000,000

Did you see the results on our matured ten year Endowments?

POLICIES WHICH SELL. PROFITABLE CONTRACTS FOR AGENTS. DESIRABLE AVAILABLE TERRITORY. WILL ENTER NEW TERRITORY.

Write us your ambitions—we may help you realize them.

We need a good man in Ohio, another in Michigan

The Columbian National Life Insurance Co. of Boston, Mass.
LIFE, ACCIDENT AND HEALTH INSURANCE
The Only Massachusetts Non-participating Company.
The New Columbian Policies are Unexcelled in Clearness and Liberality. Good Contracts and Territory for Good Producers.
ARTHUR B. CHILDS, President

COMMERCIAL UNION ASSURANCE CO.
LIMITED,
OF LONDON.
OFFICE:
Cor. Pine & William Sts., New York.

THE EMPIRE STATE SURETY COMPANY
CAPITAL $500,000

THE
EMPIRE
STANDS FOR
Aggressiveness
Prompt Payment of Losses
and
Clean Methods

AGENTS WANTED who are unattached and CAN PRODUCE BUSINESS

Address AGENCY DEPARTMENT
THE EMPIRE STATE SURETY CO.
84 William St., NEW YORK.

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ARE ALL POLICIES OF

American Central Life Insurance Co.

INDIANAPOLIS, INDIANA.

INSURANCE IN FORCE, $25,000,000. ASSETS $2,462,000

High Class Salesmen Wanted in

Tennessee, Missouri, Arkansas, Alabama, Michigan, Pennsylvania, Ohio, Indiana, Illinois, Texas, Kansas, Oklahoma and Kentucky

A NEW PLAN

OF COMPENSATING SALESMEN

Write for Information Today

1894 1910

The State Life Insurance Company

Indianapolis

UNEQUALED IN SOLID ACHIEVEMENT

Assets Dec. 31, 1909, $8,580,830.58. Surplus 1909, $1,174,606.34

GROWTH UNPARALLELED

Gain in Admitted Assets		Gain in Surplus
1907	$1,001,409.00	$27,775.00
1908	1,023,700.00	153,161.00
1909	1,301,977.14	314,044.74

Eight Million Dollars in Securities Deposited With the State of Indiana.
This is $848,861 more than is required by law.

MOST ATTRACTIVE AGENCY CONTRACTS
Our Own Idea.
Every Contract Direct With the Company.
Scores of Good Men Have Joined the State Life Field Force since January 1, 1910.
On all Agency matters address: CHAS. F. COFFIN, 2d Vice-Pres., 1231 State Life Building

Company's Office Building.

Surety Bonds and Undertakings

are furnished promptly throughout the United States, Canada and Mexico, by the

American Surety Company

OF NEW YORK

Home Office, 100 Broadway

This Company confines its business exclusively to the furnishing of suretyship bonds and undertakings.

Its experience extends over a quarter of a century.

Its Financial Strength is greater, its Qualifying Power under Federal and State Regulations is larger, and its Agency Organization is more extensive than that of any other Surety Company.

Bonds issued for Employees, Administrators, Guardians, and in Judicial Proceedings.

STATEMENT DECEMBER 31, 1909.

Resources (including Capital, $2,500,000) $7,612,718.73
Liabilities (including Reserve, $1,330,367.97)..... 1,927,36819

Fidelity (Fire) Underwriters

OF NEW YORK

Three Fidelity Underwriters Maxims:

Overhead writing is underhand dealing.

Profit sharing commissions make positive incomes.

A great company is a big company whose principles equal its assets.

Home Office: 46 Cedar St., New York

Western Office: 280 La Salle St., Chicago

Incorporated 1855

THE

JEFFERSON FIRE

INSURANCE COMPANY

OF PHILADELPHIA

In Business Fifty-four Years. Surplus to Policy-Holders, Over $450,000.

AGENCY DEPARTMENT, 425 WALNUT STREET, PHILADELPHIA.

AGENTS WANTED AT ALL DESIRABLE POINTS.

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